

Suning.Com Co., Ltd.
2020 Third Quarter Report



October 2020

Section I Important Notices

Suning's Board of Directors, Board of Supervisors and directors, supervisors and senior managers guarantee the contents of the quarterly report are true, accurate and complete, without false records, misleading statements or major omissions, and assume joint and several liabilities.

All directors of Suning have attended the board meeting of deliberating the quarterly report in person. Directors Yang Guang and Xu Hong, and Independent Director Chen Zhenyu attended remotely due to official business.

Zhang Jindong, board chairman of Suning, Huang Wei, chief financial officer, and Hua Zhisong, fiscal principal (person in charge of Accounting Department) state that they guarantee the authenticity, accuracy and completeness of the financial statements in the quarterly report.

Warning about non-standard audit opinions

☐ Applicable ☒ Not applicable

Section II Company Profile

I. Main accounting data and financial indicators

Whether the accounting data of the previous years is required to be subject to retroactive adjustment or restatement?

☐ Yes ☒ No

Unit: RMB 1,000

	At the end of the reporting period	At the end of last year	Increase or decrease at end of reporting period compared with the end of last year
Total assets	221,193,298	236,855,045	-6.61%
Net assets attributable to the shareholders of the listed company	86,452,942	87,921,915	-1.67%

	July to September 2020	Increase or decrease of current period compared with that of last year	January to September 2020	Increase or decrease from the beginning of the year to the end of the reporting period compared with that of last year
Operating income	62,437,954	-4.58%	180,861,784	-10.02%
Net income attributable to the shareholders of listed company	713,711	-92.69%	547,114	-95.40%
Net incomes attributable to shareholders of listed company after deducting nonrecurring gain or loss	-263,833	72.58%	-1,008,944	75.70%

Net cash flows from operating activities	-2,633,539	72.84%	-2,428,992	87.83%
Basic earnings per share (EPS) (RMB/share)	0.0780	-92.68%	0.0599	-95.39%
Diluted EPS (RMB/share)	0.0767	-92.79%	0.0588	-95.44%
Weighted average rate of return on ordinary stockholders' equity	0.82%	-10.51%	0.63%	-13.18%

Notes: 1. Earnings per share and weighted average return on net assets were calculated and filled in based on net income attributable to shareholders of the listed company. According to the Accounting Standards for Business Enterprises No. 34—Earnings per Share, the basic earnings per share of Suning during the reporting period reduced by 185,488,452 repurchased shares.

2. (1) Due to the increase of investment income brought by Suning Convenience Stores (CVS) and Suning Financial Services Group's statement, the net income attributable to shareholders of the listed company decreased year on year from January to September 2020. The net income to the listed company shareholders after deducting non-recurring profits increases 75.70% year on year from January to September 2020, and the business continues to improve.

(2) Due to the increase of investment income brought by Suning Financial Services Group's statement, the net income attributable to shareholders of the listed company decreased year on year from July to September 2020. The net income to the listed company shareholders after deducting non-recurring profits increases 72.58% year on year from July to September 2020, and the business continues to improve.

Suning's total issued capital as of the previous trading day before disclosure:

Suning's total issued capital as of the previous trading day before disclosure (share)	9,124,551,203
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Note: According to the Rules for the Implementation of Shares Repurchased by Listed Companies in Shenzhen Stock Exchange, the outstanding total issued capital shall be that with the number of shares in repurchased special account deducted when listed companies calculates earnings per share and other related indicators in regular report. "Total issued capital (share) as of the previous trading day of disclosure" shall be that with the number of shares in repurchased special account deducted.

Fully diluted earnings per share calculated as per the latest total issued capital:

	July to September 2020	January to September 2020
Fully diluted earnings per share calculated as per the latest total issued capital (RMB/share)	0.0782	0.0600

Items and amount of non-recurring gain or loss

Unit: RMB 1,000

Items	Amount from beginning of the year to the end of the reporting period
Gain or loss on disposal of non-current assets (write-off part of provision for impairment of assets)	-18,108
Government subsidies accounted in current gain or loss (closely related to business events, excluding government subsidies enjoyed in quota or fixed amount as per unified national standard)	709,772
Gain or loss from fair value changes generated by the holding of trading financial assets and liabilities, and derivative financial assets and liabilities, as well as investment income from the disposal of trading financial assets and liabilities, derivative financial assets and liabilities and other debt investment, except gain or loss from effective hedging operations related to Suning's normal business operations.	414,736
Investment income from disposal of subsidiaries	805,933
Non-operating revenues and expenses other than the items above	42,546
Minus: Affected income tax	390,524
Affected minority interest (after-tax)	8,297
Total	1,556,058

Reasons shall be given for the explanatory gain or loss items defined according to Explanatory

Announcement No.1 on Information Disclosure for Companies Issuing Their Securities to the Public - Non-recurring Gain or Loss and those listed in Explanatory Announcement No.1 on Information Disclosure for Companies Issuing Their Securities to the Public - Non-recurring Gain and Loss, which are defined as recurrent gain or loss items.

☐ Applicable ☒ Not applicable

No explanatory gain or loss items defined according to and listed in Explanatory Announcement No.1 on Information Disclosure for Companies Issuing Their Securities to the Public - Non-recurring Gain or Loss have been defined as recurrent gain or loss items in the reporting period.

II. Total number of shareholders and shareholdings of top 10 shareholders at the end of the reporting period

1. Total number of common shareholders and preferred shareholders with voting right recovered, and shareholdings of top 10 shareholders

Unit: share

Total number of common shareholders at the end of reporting period	303,813	Total number of preferred stock with voting right recovered at the end of the reporting period	0			
Shareholding of Top 10 Shareholders						
Shareholder s' name	Nature of shareholder	Sharehold ing ratio	Number of shares	Number of restricted shares	Pledge or freezing conditions	
					Share status	Quantity
Zhang Jindong	Domestic natural person	20.96%	1,951,811,430	1,463,858,572	Pledg e	300,000,000
Suning Appliance Group Co., Ltd.	Domestic non-state-owned legal person	19.99%	1,861,076,979	-	Pledg e	710,500,000
Taobao (China) Software Co., Ltd.	Domestic non-state-owned legal person	19.99%	1,861,076,927	-	-	-

Suning Holdings Group Co., Ltd.	Domestic non-state-owned legal person	3.98%	370,786,925	61,056,374	-	-
Chen Jinfeng	Domestic natural person	1.98%	184,127,709	-	Pledge	181,000,000
Hong Kong Securities Clearing Company Ltd.	Overseas legal person	1.81%	168,658,025	-	-	-
Li Songqiang	Domestic natural person	1.64%	152,617,771	-	-	-
Jin Ming	Domestic natural person	1.34%	125,001,165	-	Pledge	120,000,000
Central Huijin Asset Management Co., Ltd.	State-owned legal person	0.79%	73,231,900	-	-	-
Lin Yiling	Domestic natural person	0.74%	68,908,811			
Shareholding of top 10 shareholders not subject to restrictions on sales						
Shareholders' name	Number of holding shares without restriction for sale	Share type				
		Share type	Quantity			
Suning Appliance Group Co., Ltd.	1,861,076,979	RMB common shares	1,861,076,979			
Taobao (China) Software Co., Ltd.	1,861,076,927	RMB common shares	1,861,076,927			
Zhang Jindong	487,952,858	RMB common shares	487,952,858			
Suning Holdings Group Co.,	309,730,551	RMB common shares	309,730,551			

Ltd.			
Chen Jinfeng	184,127,709	RMB common shares	184,127,709
Hong Kong Securities Clearing Company Ltd.	168,658,025	RMB common shares	168,658,025
Li Songqiang	152,617,771	RMB common shares	152,617,771
Jin Ming	125,001,165	RMB common shares	125,001,165
Central Huijin Asset Management Co., Ltd.	73,231,900	RMB common shares	73,231,900
Lin Yiling	68,908,811	RMB common shares	68,908,811
Particulars about connected relation or concerted action among the shareholders mentioned above	<p>1. Mr. Zhang Jindong, Mr. Steven Zhang and Nanjing Runxian Enterprise Management Center (limited partnership) respectively hold 51%, 39% and 10% equity in Suning Holdings Group Co., Ltd. Mr. Steven Zhang is the child of Mr. Zhang Jindong, and Mr. Zhang Jindong and Suning Holdings Group Co., Ltd. form persons acting in concert relationship.</p> <p>2. Mr. Zhang Jindong holds 50% equity of Suning Appliance Group Co., Ltd. Mr. Zhang Jindong and Suning Appliance Group Co., Ltd. form an associated relationship and do not constitute the actual controller.</p> <p>3. Suning Appliance Group Co., Ltd. holds a total of 1,861,076,979 shares, accounting for 19.99% of Suning's total issued capital. Suning Appliance Group Co., Ltd. holds 89,009,599 shares of Suning, accounting for 0.96% of the total issued capital of Suning through the "Tibet Trust Corporation Limited - Tibet Trust - Shunjing 34 Collective Funds Trust Plan"; holds 85,979,961 shares of Suning, accounting for 0.92% of the total issued capital of Suning through the "Tibet Trust Corporation Limited - Tibet Trust - Levo 6 Collective Funds Trust Plan"; holds 83,489,598 shares of Suning, accounting for 0.90% of the total issued capital of Suning through the "Tibet Trust Corporation Limited - Tibet Trust - Shunjing 53 Collective Funds Trust Plan"; holds 38,160,122 shares of Suning, accounting for 0.41% of the total issued capital of Suning through the "Tibet Trust Corporation Limited - Tibet Trust - Levo 10 Collective Funds Trust Plan".</p> <p>In addition to the above-mentioned relationships, it is unknown</p>		

	whether there are other relationships between the top 10 major shareholders of Suning and the top 10 shareholders with unlimited selling conditions, and whether there are any persons acting in concert stipulated in the Measures for the Administration of the Takeover of Listed Companies.
Explanation for top 10 common shareholders participating in the margin trading business	<p>1. The shareholder Suning Appliance Group Co., Ltd. holds 1,691,076,979 corporate shares through common securities account and 170,000,000 corporate shares via credit securities account.</p> <p>2. The shareholder Li Songqiang holds 7,131,450 corporate shares through common securities account and 145,486,321 corporate shares via credit securities account.</p> <p>3. The shareholder Lin Yiling holds 222,500 corporate shares through common securities account and 68,686,311 corporate shares via credit securities account.</p>

Note 1: As of September 30, 2020, Suning.Com Co., Ltd. holds 185,488,452 shares by special security account for repurchase. The shareholding of the top 10 shareholders is not listed.

Note 2: Suning Holdings Group Co., Ltd. transferred 61,056,374 shares of 2014 Employee Stock Ownership Plan of Suning.Com Co., Ltd. through block trading, and Suning Holdings Group Co., Ltd. promised not to reduce the increased shares within 36 months from January 18, 2019. The number of shares to be listed is the number of unrestricted shares held by Suning Holdings Group Co., Ltd. minus the number of shares transferred this time.

Are there transactions under repurchase agreement for Suning's top 10 shareholders of common shares and the top 10 shareholders of unrestricted common shares in the reporting period

☐ Yes ☒ No

Top 10 shareholders and top 10 common shareholders holding shares without restriction for sale did not agree for repurchase transaction in the reporting period

2. Total number of preferred shareholders for Suning and shareholdings of top 10 shareholders

☐ Applicable ☒ Not applicable

Section III Important Matters

I. Changes in main financial data and financial indicators in the reporting period and their causes

(I) Overview

From the industry, from January to September, the total retail sales of consumer goods has showed a YoY decrease of 7.2%, the total on-line retail sales has showed a YoY increase of 9.7%, the total retail sales of household appliances and audio and video equipment above the quota showed a YoY decrease of 8%, and the total retail sales of communication equipment showed a YoY increase of 7.2%. During the reporting period, the internal and external environment is still weak. Although the consumption boom slowly rebounds quarter by quarter, the development of the industry is still facing greater challenges.

Suning responded positively, grasped the market opportunity, improved the all-scenario operation ability, the construction of commodity supply chain system and service ability, and accelerated the opening-up empowerment. During the reporting period, Suning's sales volume of commodities remained stable. From January to September, Suning realized a YoY growth of 6.47% in the gross merchandise volume, and the online platform gross merchandise volume increased by 18.15% year on year, of which, the third-party platform gross merchandise volume increased 56.83% year on year, and the sales volume of Suning Retail Cloud increased 77.5% year on year.

■ Retail business

1. All-scenario operation

Suning is committed to building the all-scenario smart retail ecosystem and an online and offline integrated digital service network, reaching users of all scenarios effectively.

In the first-and second-tier markets, Suning focuses on the arrangement of "big stores" and covers core commercial sphere by Suning.Com Plaza and Suning.Com Cloud Stores. In the third quarter, Suning has put into operation 3 Suning.Com Plazas in Shenyang and Chengdu and renovated and upgraded Beijing Balizhuang, Chongqing Guanyinqiao and other Suning.Com Cloud stores to enhance the scenario layout and create immersive "cloud shopping" experience, which obviously shows the effect of gathered customer volume by main store; the community commercial sphere takes Carrefour Supermarket as its development priority and centers on the layout of hypermarket + featured shop + community SuFresh store, covering all-scenario offline consumption. In the third quarter, 3 new Carrefour Supermarkets and 1 community SuFresh store were opened. For the lower-tier market, Suning accelerated the promotion of Suning Retail Cloud franchised store mode, and the retail cloud business maintained rapid growth. 2,432 stores were opened from January to September.

Suning has focused on improving the operation efficiency of Brick and Mortar Stores, continued to promote the partnership mechanism of stores and deepen the Internet operation of stores, developed social marketing such as Suning Tuike, store live and SuTuan, and focused on localized

operation and carried out "regional strategy", which effectively improved its operation efficiency in the localized market. From January to September, The order quantity from Suning Tuike increased by 174.45% year on year; Carrefour supermarket continued to promote the integration of two lines, and Carrefour's home business orders increased by 10% month on month in the third quarter.

Suning has actively promoted the iterative upgrading of the online platform, accelerated the content-based and pan entertainment of the online platform, and created an immersive interactive experience for users. Through the marketing tools such as live broadcast and Suning Tuike, and flash sales, group purchase, share and haggle, and other methods, Suning's user activity continues to improve. In August, the number of active users of Suning.Com increased by 22.49% year on year. Suning has sped up the development of third-party platform business and carried out e-commerce output in an all-round way through cooperation with vertical, video and information platforms.

As of September 30, the number of registered members of Suning has reached RMB 623 million. From January to September, Suning realized online gross merchandise volume of RMB 202.552 billion (tax inclusive), with a YoY growth of 18.15%, of which gross merchandise volume of third-party platform of RMB 82.066 billion (tax inclusive), with a YoY growth of 56.83%. Suning's Internet business is developing rapidly.

2. Commodity management

While strengthening the professional self-operating capability of core commodity categories, Suning focuses on the construction of C2M system, develops differentiated products and IP series products such as private brand, exclusive agent brand and customized exclusive sales, and improves the structural layout of high-end products, new products and online hot items.

In virtue of online and offline all-scenario service and marketing capabilities, Suning can deeply cooperate with partners, brand owners and third-party merchants to realize brand incubation and cultivation. By the end of the reporting period, Suning Retail Cloud established first-class cooperation mode with 20 major brands such as Midea, Haier and Hisense to create channel customized products; online and offline integration layout accelerated the incubation of new brands, and Suning biu, Suning JIWU, SuFresh and other brands achieved rapid growth; Suning Group Purchase, "direct sale matrix" composed of group purchase villages, industrial base and Pingping farm, empowered local brands.

Suning further improved the experience and empowerment of platform merchants, improved the platform rules, and opened warehouse and distribution services. The number of platform merchants continued to increase, and the proportion of non-electrical appliance merchants increased to 89.46%. The increase in the number and activity of merchants promoted the continuous enrichment and rapid growth of platform commodities.

■ Logistics business

During the reporting period, Suning Logistics continued to strengthen the construction of warehousing facilities and further improve logistics operation efficiency and the service quality.

In terms of logistics and warehousing, 5 logistics bases have been delivered for use, and 8 new logistics bases have been constructed and expanded. The licenses of logistics and warehouse land in Nanjing, Suzhou, Xi'an, Kunming, and other four cities have been received for speeding up the reserve for warehouse land. By September 2020, 62 logistics bases in 46 cities have been put into operation by Suning, and 21 logistics bases in 18 cities are under construction and expansion.

In terms of logistics operation, Suning Logistics covers the whole country and its convenient network service provides the users with "delivery within 1 h" instant distribution, "delivery within half-day" and "three-delivery in a day" service relying on Suning's brick-and-mortar stores and fast picking warehouses of Carrefour stores. Suning Logistics has made further improvement in after-sales service ability in the rural market as the arrangement of Suning Retail Cloud franchised stores has developed rapidly; By the end of the reporting period, a total of 1,504 county-level service centers were planned to be built, which further improved the reach of customer service in the lower-tier market. The partnership mechanism of terminal outlets for Suning Logistics has been promoted and the proportion of terminal outlets continued to increase.

Suning Logistics has continued to promote opening-up, and can provide full-link warehouse distribution service for partners in FMCG, 3C, home appliances, home furnishings and other fields. Particularly, Home logistics has developed rapidly. At present, the service covers 331 cities, of which the fourth and sixth-tier markets account for 30%, providing users with product services at different time.

■ Construction of Internet stores

1. Information of Internet stores

According to the established plan, Suning promotes the store strategy for different market levels and optimizes the store structure based on the established plan. From January to September, there are 27 new household appliances 3C specialty stores opened and 241 closed. There are 4 new supermarkets in Carrefour Supermarket and 1 new community SuFresh store opened. 8 SuFresh supermarkets in operation were incorporated into Carrefour China for unified operation in order to effectively integrate resources, with 11 Carrefour Supermarkets closed. There are 8 new Redbaby maternal and infant stores opened and 38 closed. There were 2,432 new Suning Retail Cloud franchised stores opened and 674 direct-sale stores of Suning.Com closed.

From July to September, there are 13 new household appliances 3C specialty stores opened and 28 closed; there are 3 new supermarkets in Carrefour Supermarket opened and 9 closed; there is 1 new community SuFresh store opened. There are 5 new Redbaby maternal and infant stores opened and 6 closed. There were 871 new Suning Retail Cloud franchised stores opened and 38 direct-sale stores of Suning.Com closed.

As of September 30, 2020, Suning totally had 2,697 self-owned stores of all types and 6,588 Retail Cloud franchise stores.

As of September 30, 2020, the changes in Suning Internet stores are as follows:

Unit: stores

	Stores as of December 31, 2019		New stores (opened from January to September 2020)		Closed stores (closed from January to September 2020)		Stores (as of September 30, 2020)	
	Quantity	Area	Quantity	Area	Quantity	Area	Quantity	Area
Suning.Com Plaza	37	98.28	-	-	-	-	37	98.28
Household appliances 3C specialty store	2,307	522.35	27	6.13	241	50.05	2,093	472.16
Direct-sale stores of Suning.Com	833	26.60	-	-	674	19.56	159	7.09
Carrefour Supermarket	233	144.60	13	3.89	11	7.03	235	141.46
Redbaby maternal and infant stores	175	21.96	8	0.57	38	4.77	145	15.00
Hong Kong stores	30	0.68	-	-	2	0.04	28	0.64
Self-owned stores (total)	3,615	814.47	48	10.59	966	81.45	2,697	734.63
Suning Retail Cloud franchised store	4,586	-	2,432	-	430	-	6,588	-

Note 1: The area of self-owned stores refers to the usable area agreed in the contracts signed with stores.

Note 2: Suning.Com Plaza is a department store.

2. Comparable store management quality

(1) Household appliances 3C specialty store

Under the influence of COVID-2019 and weak external market environment, the offline retail sales revenue of Suning's comparable household appliances 3C specialty stores (referring to stores opened on or before January 01, 2019, the same as below) from January to September 2020 decreased by 28.81% year on year. By online and offline linkage, Suning has improved operation efficiency of Brick and Mortar Stores, and offline sales revenue of comparable stores has continued

to improve.

(2) Redbaby maternal and infant stores

The sales amount of Redbaby maternal and infant stores located in Suning.Com Plaza is not optimistic due to suspension of business caused by COVID-2019 in the first half year. The revenue of comparable stores from January to September 2020 decreases by 16.78% year on year. By strengthening Internet operation of stores and advancing partnership mode of Redbaby stores, the initiative of retail terminal personnel has been further stimulated, and the revenue of comparable stores has continued to improve.

(II) Operation result and causes analysis

Unit: RMB 1,000

Items	January to September 2020	January to September 2019	YoY change
Operating income	180,861,784	201,008,612	-10.02%
Cost of revenues	153,597,569	171,408,525	-10.39%
Sales cost	20,951,872	24,653,397	-15.01%
Administration expense	3,361,555	3,982,587	-15.59%
R&D expense	1,774,718	2,411,918	-26.42%
Financial expenses	2,414,671	1,998,125	20.85%
Credit impairment loss	201,102	844,480	-76.19%
Income from changes in fair value	-574,518	-50,961	-1027.37%
Other income	709,772	346,544	104.81%
Investment income	2,189,442	21,504,501	-89.82%
Operating income	-18,024	16,495,937	-100.11%
Non-operating income	269,518	841,469	-67.97%
Non-operating expenses	226,972	153,050	48.30%

Total profit	24,522	17,184,356	-99.86%
Income tax expenses	100,016	5,499,954	-98.18%
Net income	-75,494	11,684,402	-100.65%
Net income attributable to the shareholders of listed company	547,114	11,903,313	-95.40%

1. COVID-2019 had a great impact on offline sales. Although Suning vigorously developed the Internet business, placed more emphasis on the improvement of efficiency in the category management strategy, and accelerated the opening-up of some categories, the self-operated sales were affected to some extent. At the same time, at the end of the reporting period, some commodity revenue failed in meeting the transfer conditions for the right of control and was listed in contract liabilities, resulting in a decrease in the corresponding revenue.

In the reporting period, Suning realized the operating income of RMB 180.862 billion with a YoY decrease of 10.02%. After accelerating the opening-up empowerment, Suning's gross merchandise volume from January to September is RMB 293.741 billion, with a YoY growth of 6.47%, including a YoY growth of 18.15% in online gross merchandise volume, leading the proportion of online gross merchandise volume increased to about 69%.

2. During the reporting period, the online business developed faster than the offline business. Due to the influence of sales structure, the gross margin of main business has obtained a YoY decrease. During the reporting period, the incorporation of Carrefour China into the consolidated statements brought about an increase in store-related service revenue and sublease revenue. The gross margin of other businesses obtained a YoY growth. Suning's comprehensive gross margin obtained a YoY growth of 0.61%. With the further integration of FMCG supply chain, as well as measures of opening-up of platform and logistics, Suning's comprehensive gross margin will maintain a steady increase.

3. In terms of operating cost rates, Suning enhanced cost control, focused on input-output efficiency, strengthened performance evaluation, and improved internal management efficiency. As a result, the operating cost rates decreased year on year during the reporting period. Suning also strengthened online business development during the reporting period, increasing the service charge of relevant payments, so the financial expense rate has also increased over the same period. In general, the total expense rate of Suning has a decrease of 0.41% compared with the same period of last year.

4. Decrease in the loss of credit impairment brought by Suning Financial Services Group's statement.

5. Decrease in gains from changes in fair value due to the treatment of financial products carried forward to investment income during the reporting period.

6. Increase in other incomes due to increase of governmental subsidies during the reporting period.

7. Decrease in investment income brought by influence of investment income in Suning Convenience Stores (CVS) and Suning Financial Services Group's statement year on year.

8. Decrease of non-operating income year on year because Suning's investment in Wanda business in the same period is accounted for by equity method, and the difference between the fair value share of the identifiable net assets calculated according to the shareholding ratio and the book value is included in the non-operating income.

9. Increase of non-operating expenses due to one-time loss caused by the closure of stores during the reporting period.

10. Decrease of income tax expense during the reporting period due to accrued income tax of relevant investment income from Suning Financial Services Group's statement in the same period of last year.

There was a YoY decrease in company operating revenue, total profit and net income attributable to shareholders of the listed company because of the influence of non-recurring gain or loss from Suning Convenience Stores (CVS) and Suning Financial Services Group's statement in the same period of last year.

(III) Analysis of assets, liabilities and equities

Unit: RMB 1,000

Items	September 30, 2020	December 31, 2019	Change ratio	Reasons for significant change
Trading financial assets	7,600,195	11,970,008	-36.51%	Impact of Suning's sale of trading financial assets during the reporting period
Notes receivable	697,720	4,660,366	-85.03%	During the reporting period, Suning strengthened the collection of notes receivable
Accounts receivable financing	123,166	497,858	-75.26%	Decrease in receivables financing business of Suning
Other non-current assets	279,992	797,080	-64.87%	Mainly due to Suning's prepayment for land carried forward to intangible assets during the reporting period
Short-term loan	28,097,084	18,954,821	48.23%	During the reporting period, as Suning maintained sufficient liquid fund reserves for business development

Items	September 30, 2020	December 31, 2019	Change ratio	Reasons for significant change
				and responding to changes in the market environment, the short-term borrowings increased
Accounts payable	23,851,525	44,380,475	-46.26%	Mainly due to the due payment of Suning's accounts payable during the reporting period
Unearned revenue	-	7,157,577	-	This is mainly because Suning reclassified the unearned revenue to contract liabilities according to the new accounting standards at the end of the reporting period, and some commodity revenue failed in meeting the transfer conditions for the right of control and was listed in contract liabilities according to the new revenue standards during the reporting period.
Contract liabilities	13,350,092	-	-	
Payroll payable	965,022	1,386,161	-30.38%	During the reporting period, as Suning strengthened organizational optimization and paid attention to employee performance appraisal, the payroll payable to employees decreased
Non-current liability due within one year	4,615,643	7,662,708	-39.76%	During the reporting period, Suning paid long-term loans expired within 1 year
Deferred income	811,447	2,231,956	-63.64%	According to the accounting standards, the income from extended warranty services of clients in advance is reclassified to other non-current liabilities
Other non-current liabilities	1,322,872	3,158	41789.55%	
Other comprehensive income	-639,798	197,575	-423.83%	This is mainly due to the changes in the fair value of Suning's equity instrument investment and the changes in the conversion of foreign

Items	September 30, 2020	December 31, 2019	Change ratio	Reasons for significant change
				currency statements during the reporting period
Minority equity	-1,400,131	-777,102	-80.17%	This is mainly due to the increase in the loss of minority equity during the reporting period

(IV) Cash flow analysis

Unit: RMB 1,000

Items	January to September 2020	January to September 2019	YoY change
Net cash flows from operating activities	-2,428,992	-19,963,541	87.83%
Cash inflow from business activities	223,562,168	224,404,804	-0.38%
Cash outflow for business activities	225,991,160	244,368,345	-7.52%
Net cash flow from investment activities	1,388,379	-22,498,856	106.17%
Cash inflow from investment activities	33,755,682	86,166,961	-60.83%
Cash outflow for investment activities	32,367,303	108,665,817	-70.21%
Net cash flow from financing activities	-3,012,622	26,891,316	-111.20%
Cash inflow from financing activities	53,390,999	73,631,565	-27.49%
Cash outflow for financing activities	56,403,621	46,740,249	20.67%

1. During the reporting period, as Suning devoted itself to improving the operating fund turnover efficiency, optimizing the accounting period and payment method and strengthening the cooperation with suppliers, the net operating cash flow increases by 87.83% year on year.

2. During the reporting period, as Suning strictly controlled the capital expenditure and accelerated the asset revitalization and return, the net cash flow from investing activities increased by 106.17% compared with the same period. During the reporting period, as Suning Financial Services Group adopted the strategic investment in the same period last year, raised fund were in place and

financing for business development increased a lot, the net cash flow generated by the financing activities decreased by 111.20% compared with the same period.

II. Progress of major items and analysis of the impacts and solutions

(I) Phase II employee stock ownership plan

The 23th meeting of the 5th Board of Directors of Suning reviewed and the resolution of the third extraordinary shareholders' meeting in 2015 passed the Revision on the Proposal of the Employee Stock Ownership Plan (Phase II) of Suning Commerce Group Co., Ltd. (Draft) and related proposals. The Phase II employee stock ownership plan is implemented as follows:

1. Scope of employees

Participants of this employee stock ownership plan and employees of Suning who meet one of the following standards:

- (1) Directors, supervisors, and senior management;
- (2) Middle and senior personnel in the online and offline operation management, commodity supply chain management, logistics services and other business systems of Suning;
- (3) Backbone of technology development system; middle and senior personnel in the functional management system;
- (4) Other employees with special contributions recognized by Suning.

2. Sources of funds for implementing employee stock ownership plan

The source of funds for the employee stock ownership plan is the employees' self-raised funds, legal loan and other funds obtained in accordance with laws and administrative regulations.

3. The proportion of the total amount of shares held by employee stock ownership plan in the reporting period and its total issued capital of listed companies

As of September 30, 2020, the shares held by employee stock ownership plan is 65,919,578, accounting for 0.71% of Suning's total issued capital.

4. Changes in planned share equities caused by disposal rights of holders of employee stock ownership plan

According to the regulations of the Measures on Management of employee Stock Ownership Plan (Phase II) of Suning Commerce, in case of any of the following circumstances, the participation qualification of the holders of employee stock ownership plan will be canceled, and the original contribution amount of self-raised funds will be returned.

- (1) The holder resigns or leaves without authorization;
- (2) The holder refuses to renew the labor contract with Suning or its subsidiary after the expiration of the labor contract;
- (3) Suning or its subsidiary does not renew the labor contract with the holder after the expiration of

the labor contract;

(4) The holder is terminated by Suning or its subsidiary due to violation of laws, administrative regulations or company rules and regulations;

(5) The holder has major fault or fails to meet the performance evaluation;

(6) The holder has been demoted and degraded, resulting in his/her failure to meet the conditions for participating in the employee stock ownership plan.

In the third quarter, 14 employees of Suning meet the above conditions, involving 4.16 million shares of employee stock ownership plan.

5. Changes in asset management organization

Suning selected Essence Securities as the management organization of the employee stock ownership plan, and signed Essence-Suning Zhongcheng No.2 Directional Asset Management Plan Management Contract with Essence Securities. During the reporting period, as Essence Securities, the management organization of the employee stock ownership plan, sets new wholly-owned securities asset management subsidiary "Essence Securities Asset Management Co., Ltd." (hereinafter referred to as "Essence Securities Asset Management"), Essence Securities no longer has the qualification of asset management business, and needs to inherit all the asset management plans it manages to Essence Securities Asset Management. As a result, Essence Securities Asset Management becomes the management organization of the employee stock ownership plan.

(II) Phase III employee stock ownership plan

The 19th meeting of the 6th Board of Directors of Suning reviewed and the resolution of the fourth extraordinary shareholders' meeting in 2018 passed the Phase III Employee Stock Ownership Plan of Suning.Com Co., Ltd. (Draft) and related proposals. The Phase III employee stock ownership plan is implemented as follows:

1. Scope of shareholding employees

The objects of this employee stock ownership plan cover the directors and senior management of Suning, the middle and senior personnel and business backbones of the three business systems of retail, logistics and finance of Suning, the core technicians of the technical development system, the middle and senior personnel of the functional management system and other employees that the company considers having a direct impact on the operating result and future development of Suning.

2. Sources of funds for implementing employee stock ownership plan

The source of funds for the employee stock ownership plan is the legal compensation, self-raised funds and other funds in ways permitted by laws and regulations.

3. The proportion of the total amount of shares held by employee stock ownership plan in the reporting period and its total issued capital of listed companies

In order to further increase the incentive for employees and enhance their confidence in their

positive efforts, in compliance with the requirements of relevant laws and regulations of the CSRC and in combination with the relevant provisions of the *Measures on Management of Phase III Employee Stock Ownership Plan of Suning.Com*, 48,949,658 shares were sold in the second-tier market under the Phase III employee stock ownership plan as of September 30, 2020. 24,121,216 shares were held under the employee stock ownership plan as of September 30, 2020, accounting for 0.26% of the total issued capital of Suning.

If Suning's performance appraisal indicators specified in the items of the employee stock ownership plan have not been reached, that is, the growth rate of Suning's operating revenue in 2018 compared with that in 2017 is not less than 30%, within 12 months after the expiration of the lock-up period, the number of underlying stocks that can be sold under the employee stock ownership plan shall not exceed 40% of the total number of shares held by the employee stock ownership plan, within 24 months after the expiration of the lock-up period, the cumulative number of shares that can be sold under the employee stock ownership plan shall not exceed 70% of the total number of initial shares held by the employee stock ownership plan, within 36 months after the expiration of the lock-up period, the cumulative number of shares that can be sold under the employee stock ownership plan shall not exceed 100% of the total number of initial shares held.

If Suning's performance appraisal indicators specified in the items of the employee stock ownership plan have not been reached, all funds obtained from selling all underlying stocks held under the employee stock ownership plan after the expiration of the lockup period belong to Suning, and Suning should return the original capital contribution and interest to the holder to the limit of the funds (the implementation criteria will be determined by the management committee).

4. Changes in planned share equities caused by disposal rights of holders of employee stock ownership plan

According to the regulations of the *Measures on Management of Phase III Employee Stock Ownership Plan of Suning.Com*, in case of any of the following circumstances, the participation qualification of the holders of employee stock ownership plan will be canceled:

- (1) The holder resigns or leaves without authorization;
- (2) The holder refuses to renew the labor contract with Suning or its subsidiary after the expiration of the labor contract;
- (3) Suning or its subsidiary does not renew the labor contract with the holder after the expiration of the labor contract;
- (4) The holder is terminated by Suning or its subsidiary due to violation of laws, administrative regulations or company rules and regulations;
- (5) The holder's disclosure of Suning's secrets, dereliction of duty or malpractice that seriously damage Suning's interests or reputation;
- (6) The holder has been demoted and degraded, resulting in his/her failure to meet the conditions for participating in the employee stock ownership plan.

Within the duration, in case of any of the above circumstances, the management committee shall disqualify the holder from participating in the employee stock ownership plan, and the employee

stock ownership plan shall recover the holder's shares at that time, and the recovery price shall be determined according to the principle of the lower of the initial purchase price plus capital interest and market price (calculated at the closing price of the previous trading day before the management committee disqualifies the holder from participating in the employee stock ownership plan) of the underlying stocks corresponding to the shares. The management committee shall determine the scope of employees to be transferred for the aforesaid shares, and agree on the share transfer price and relevant restrictions. Employees are transferred for shares on a voluntary basis. If the aforesaid transfer process is not completed within the duration of the employee stock ownership plan, the recovered share of the holders shall be shared by the holders participating in the employee stock ownership plan.

In the third quarter, 13 employees of Suning meet the above conditions, involving 699,600 shares of employee stock ownership plan.

5. Changes in asset management organization

The employee stock ownership plan is managed by Suning.

6. Impact on Suning's finance

In the reporting period, Suning confirmed that the management expenses during the waiting period for the current employee stock ownership plan were about RMB 65.66 million.

(III) Progress in the implementation of share repurchase

On August 15, 2019, the 46th meeting of the 6th Board of Directors of Suning approved the Proposal on the Plan on Repurchasing Part of Public Shares (Announcement No. 2019-080). Suning repurchased its shares by equity capital in the form of collective trading through bidding, with the total amount of repurchasing not less than RMB 1 billion (including) and not more than RMB 2 billion (including), and the repurchase price no more than RMB 15/share (including). The shares repurchased are used for the employee stock ownership plan or stock-based compensation.

Suning published the *Announcement on Expiration of Buyback Period and Implementation Completion of Buyback Program in the Company* on August 18, 2020, and repurchased 101,482,037 shares in cumulation by special security account for repurchase in collective bidding trading manner during repurchase implementation (from November 4, 2019 to August 6, 2020), accounting for 1.09% of Suning's total issued capital. The highest transaction price was RMB 11.15 per share and the lowest transaction price was RMB 8.26 per share, with the total amount paid of RMB 1,010.582 million (excluding transaction costs).

Progress in the implementation of centralized bidding to reduce share repurchases

☐ Applicable ☒ Not applicable

III. Commitments not completed by the actual controllers, shareholders, related parties, acquirers and Suning in the reporting period

☐ Applicable ☒ Not applicable

There are no commitments not completed by the actual controllers, shareholders, related parties, acquirers and Suning in the reporting period.

IV. Investment of financial assets

1. Security investment

Unit: RMB 1,000

Security type	Stock code	Stock abbreviation	Initial investment cost	Accounting measurement mode	Book value at the beginning of the period	Gain or loss from fair value changes in the current period	Cumulative changes of fair value recognized in equity	Amount purchased in the current period	Amount sold in the current period	Gain or loss in the reporting period	Book value at the end of the period	Accounting items	Capital source
Domestic and overseas stocks	601688.SH	Huatai Securities	4,160,766	Fair value measurement	2,705,584	-58,502	-	-	-1,812,350	354,272	834,732	Trading financial assets	Self-owned funds
Domestic and overseas stocks	600050.SH	China Unicom	4,016,309	Fair value measurement	3,161,110	-	-476,923	-	-	35,373	2,684,187	Other equity instruments investment and other current assets	Self-owned funds

Domestic and overseas stocks	600919.S	Bank of Jiangsu	540,000	Fair value measurement	254,394	-127,900	-	-	-126,494	-13,756	-	Trading financial assets	Self-owned funds
Domestic and overseas stocks	2048.HK	E-House Holdings	340,193	Fair value measurement	186,237	-	23,491	-	-	4,116	209,728	Other current assets	Self-owned funds
Domestic and overseas stocks	6806.HK	Shenwan Hongyuan	348,569	Fair value measurement	227,495	-	-31,881	-	-	7,411	195,614	Other current assets	Self-owned funds
Domestic and overseas stocks	WSG.O	Wanda Sports	280,231	Fair value measurement	85,459	-4,548	-1,914	-	-	-4,548	78,997	Trading financial assets	Self-owned funds
Disclosure date of announcement of board of directors for approving security investment			The Proposal on Venture Investment with Own Funds reviewed and approved on the 17th meeting of the 6th Board of Directors of Suning was disclosed on March 31, 2018; and the Proposal on Increasing the Amount of Venture Capital Using Its Own Funds reviewed and approved on the 33th meeting of the 6th Board of Directors of Suning was disclosed on December 1, 2018.										

Disclosure date of announcement of shareholders meeting for approving security investment (if any)	The Proposal on Venture Investment with Own Funds passed by the resolution of annual shareholders' meeting in 2017 was disclosed on May 9, 2018; and the Proposal on Increasing the Amount of Venture Capital Using Its Own Funds passed by the resolution of 7th Extraordinary Shareholders' Meeting of 2018 was disclosed on December 13, 2018.
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2. Investment on derivative products

☐ Applicable ☒ Not applicable

There was no derivative investment during the reporting period.

V. Progress of fund-raising investment project

(1) General use of the raised funds

Unit: RMB 1,000

Total amount of raised funds	29,085,309.4
Total amount of raised funds invested during the reporting period	2,376,130.4
Accumulative total amount of raised funds invested	23,662,977.4
Total amount of raised funds for other purposes in the reporting period	1,500,000
Accumulative total amount of raised funds for other purposes	10,406,416.6
Proportion of accumulative total amount of raised funds for other purposes	35.78%

General utilization of the raised funds

On May 20, 2016, Suning issued RMB 1,926,996,505 of common shares (A-share) to specific objects in a non-public way, with a par value of RMB 1.00 per share and an issue subscription price of RMB 15.17 per share (the net amount of raised funds is RMB 29.0853094 billion with issue expenses and related taxes deducted) according to the “Reply on Approval of Private Offering of Shares of Suning Commerce Group Co., Ltd. (ZJXKZ [2016] No. 418)” issued by China Securities Regulatory Commission. The above-mentioned funds were put in place on May 20, 2016, which was verified by the PricewaterhouseCoopers Zhongtian Certified Public Accountants Co., Ltd. (Special General Partnership). The capital verification report PwC ZTYZ (2016) No.573 was issued on May 21, 2016.

Suning used an amount of RMB 21,286,939,800 of raised funds (including an amount of RMB 92,800 paid for bank charges) in the previous years, and actually used an amount of RMB 2,376,143,100 (including an amount of RMB 12,700 paid for bank charges) from January to September 2020, an amount of RMB 23,663,082,900 (including an amount of RMB 105,500 paid for bank charges) used in total.

As of September 30, 2020, the balance of Suning's raised fund account (including financial management balance of Suning's raised fund) was RMB 7,276,648,300, including raised funds of RMB 5,422,226,500 and interest income of RMB 1,854,421,800.

(2) Utilization of the raised funds in committed projects

Unit: RMB 1,000

Committed investment projects and use of super-raised funds	Project changed or not (including partial change)	Total amount of raised funds committed to be invested	Total investment after adjustment (1)	Amount invested in the reporting period	Accumulated amount invested by the end of the period (2)	Investment progress by the end of the period (%) (3)=(2)/(1)	Date when the project reaching serviceable condition scheduled	Benefits achieved in the reporting period	Whether to meet the estimated income	With significant change in feasibility of the project or not
Committed investment project										
Automatic picking center project	Yes	2,505,120.4	935,120.4	0.0	935,120.4	100.0%	2019	-	N/A [Note 6]	No
Regional delivery center construction project	Yes	2,728,332.8	1,128,332.8	0.0	1,128,332.8	100.0%	2019	-		
Logistics operation business development project	No	3,500,000.0	3,242,096.0 (Note 1)	113,991.6	1,502,700.8	46.3%	2019	-		
New regional delivery center construction project	Yes	0.0	1,950,000.0 (Note 2)	228.6	1,949,954.3	99.9%	2020	-		

Logistics transportation business development project	Yes	0.0	1,220,000.0 (Note 3)	0.0	79,265.8	6.5%	2021	-		No
New regional delivery center construction project (II)	Yes	0.0	2,977,926.6 (Note 4)	606,665.9	1,145,943.8	38.5%	2022	-		No
Rental store project	Yes	5,000,000.0	1,500,000.0	155,244.3	976,471.4	65.1%	2019	319	N/A [Note 7]	No
Renovation store project	Yes	1,214,100.0	236,173.4	0.0	236,173.4	100.0%	2019	262,683		
Purchase store project	Yes	3,000,000.0	241,510.0	0.0	55,000.0	22.8%	2019	9,717		
Suning.Com Cloud Store brand promotion project	No	847,501.3	847,501.3	0.0	847,501.3	100.0%	2019	-		
Acquisition of TTK Express equity project	Yes	0.0	2,758,490.0 (Note 5)	0.0	2,758,490.0	100.0%	2018	-	N/A (Note 8)	No
Supplement of capital projects of financial companies	No	2,500,000.0	2,500,000.0	0.0	2,500,000.0	100.0%	2016	-	-	No
Supplement of SuningPay capital projects	No	850,000.0	850,000.0	0.0	850,000.0	100.0%	2016	-		
Cloud calculation items	No	1,100,574.0	1,100,574.0	0.0	1,100,438.5	99.9%	2019	-	N/A [Note	No

Big data projects	No	491,023.0	491,023.0	0.0	491,023.0	100.0%	2019	-	9]	
Smart home project	No	106,561.9	106,561.9	0.0	106,561.9	100.0%	2019	-		
Repayment of bank loans	No	2,500,000.0	2,500,000.0	0.0	2,500,000.0	100.0%	2016	-	N/A [Note 10]	No
Project of repayment of loans to financial institutions	Yes	0.0	1,500,000.0 (Note 11)	1,500,000.0	1,500,000.0	100.0%	2020	-	N/A	No
Supplementary working capital	No	3,000,000.0	3,000,000.0	0.0	3,000,000.0	100.0%	2016	-	N/A [Note 12]	No
Subtotal of committed investment projects	-	29,343,213.4	29,085,309.4	2,376,130.4	23,662,977.4	81.4%	-	272,719	-	-
Use of over-raised funds										
Repayment of bank loans (if any)	--			-	-	-	-	-	-	-
Supplementary working capital (if any)	--			-	-	-	-	-	-	-
Total amount of over-raised funds used	--			-	-	-	-	-	-	-
Total	--	29,343,213.4	29,085,309.4	2,376,130.4	23,662,977.4	81.4%	-	272,719	-	-

			4	4					
Situations and causes for not meeting the schedule or the estimated income (by specific project)	<p>1. Rental store project</p> <p>Suning originally planned to establish 331 chain stores in the Northeast, North, Northwest, Central, East, South and Southwest of China in the form of rental stores, with an estimated area of 2.78 million m² increased. Suning will execute this project by establishing chain stores itself, or by injecting capital to the subsidiaries newly established (wholly owned subsidiary or wholly owned subordinate company) or existing subsidiaries to support them to establish chain stores. After all investment is allocated to this project, the physical store network will be enriched, the competitiveness in the Internet plus competitive environment will be enhanced, the integration of online and offline will be realized, thus further improving Suning's profitability.</p> <p>A total amount of RMB 5,144.32 million is required to be invested for this project, mainly including fixed assets and related start-up costs and initial working capital. It is planned to use an amount of RMB 5,000 million of raised capital, and the remaining amount will be raised by Suning itself. On the 45th meeting of the 6th Board of Directors and the 2nd extraordinary shareholders' meeting in 2019, Suning reached a resolution to pass the Proposal on Change of the Use of Partial Raised Funds, and an amount of RMB 3 billion is planned actually to be invested for this project. On the 54th meeting of the 6th Board of Directors and the 1st extraordinary shareholders' meeting in 2020, Suning reached a resolution to pass the <i>Proposal on Change of the Use of Partial Raised Funds</i>, and used RMB 1.5 billion of the raised funds of the project to repay loans to financial institutions.</p> <p>Suning.Com Cloud Store, as the most mature type of store operated and managed by Suning, has been given the priority by Suning by optimizing and enriching the commodities, and promoting the operation of users and traffic. Suning mainly promoted the distribution of cloud stores in the core commercial sphere of the primary and secondary markets, and opened 63, 60, 20 and 50 new stores in 2016 and before, 2017, 2018 and 2019 respectively. In order to effectively cope with the changes in the market, Suning has taken the initiative to adjust its store opening strategy in recent years, for example, deploying Suning.Com Plaza in the core commercial sphere in primary and secondary markets, strengthening cooperation with supermarkets, shopping centers and other types of business, strengthening the output of Suning's 3C supply chain of household electrical appliances, paying attention to the coverage of the community markets to vigorously develop home-delivery service relying on Carrefour Supermarkets and Suning CVS, and build community life service platform; while speeding up the opening of Retail Cloud franchised stores in the tertiary and fourth markets to improve Suning's penetration rate and operating efficiency in the lower-tier market.</p>								

	<p>Suning strictly controlled the input, optimized the decoration plan, reasonably planned the fixed equipment or take other effective measures to control the opening cost in the process of opening cloud stores; in addition, in combination with the consumption characteristics of the primary and secondary markets and due to the scarcity of store resources and the layout of business circle locations, the opening speed of the corresponding Suning.Com Cloud Store had slowed down and the degree of capital demand had also decreased. Suning will speed up the opening of its cloud store in an orderly manner in combination with the opening plan. The implementation of this project will not have any adverse impact on Suning.</p> <p>2. Purchase store project</p> <p>The relatively weak prosperity of the external market puts forward higher requirements for the improvement of the enterprise's operation ability. Suning puts forward higher requirements for the input and output of assets, and at the same time, the uncertainty of the real estate market policy makes it more difficult for Suning to purchase properties. To this end, Suning will prudently review the use of funds for the purchase store project. The implementation of this project will not have any adverse impact on Suning.</p>
Statement on significant change in feasibility of the project	None
Amount, use and progress of over-raised funds	N/A
Changes in the implementation site of investment project of raised funds	N/A
Adjustment of implementation mode of investment project of	N/A

raised funds	
Upfront investment and replacement of invested projects	<p>After deliberation and approval by the 36th meeting of the 5th Board of Directors, Suning's sponsor institution, independent directors and Board of Supervisors agreed clearly on the replacement of the self-raised funds previously invested in the logistics platform construction project, Suning.Com Cloud Store development project (purchase store project), Internet finance project (supplementary capital projects of financial companies) and IT project with raised funds, totaling RMB 1.2990205 billion. For details, please refer to the Announcement No. 2016-058 of Suning.</p> <p>After deliberation and approval by the 37th meeting of the 5th Board of Directors, Suning's sponsor institution, independent directors and Board of Supervisors agreed clearly on the replacement of the self-raised funds previously invested in the Suning.Com Cloud Store development project (rental store project), renovation store project and Suning.Com Cloud Store brand promotion project with raised funds, totaling RMB 537.5661 million. For details, please refer to the Announcement No. 2016-063 of Suning.</p>
Temporary supplement for current assets with idle raised funds	N/A
Amount and reason of balance of raised funds during the project implementation	<p>1. Renovation store project</p> <p>An amount of RMB 1.2141 billion is expected to be invested in renovation store project, which is mainly used for upgrading 202 core stores, including investment in renovation, equipment and other uses. Suning planned to invest RMB 1.2141 billion of the raised capital. Suning implemented the renovation of the core cloud stores with input for the raised funds project, and completed the renovation and upgrading of 202 stores in 2018, with a cumulative investment of RMB 236.1734 million, which is a certain saving compared with the expected investment. Reason as follows:</p> <p>In recent years, China's retail industry has seen the development trend of accelerated penetration of online retail and the gradual rise of new retail. Under the impact of the rise of e-commerce platform on the brick-and-mortar store,</p>

	<p>traditional physical retail enterprises have been seeking to make innovation and transformation to meet the new needs and habits of consumers. Suning has constructed online and offline all-scenario solutions to meet the consumers' needs of shopping at anytime, anywhere and on demand, and continuously optimized the shopping process, improved the distribution timeliness and improved the consumers' shopping experience. For Brick and Mortar Stores, Suning pays attention to the control of production-investment ratio, continuously optimizes and upgrades the store model, and strives to find the most efficient investment scheme in continuous iteration. On the one hand, optimize the store renovation plan for different markets and business circles, reasonably plan the investment in store facilities and equipment, avoid excessive investment in renovation, focus on the improvement of the abundance of merchandise displayed in the store and service quality to improve consumer's satisfaction; on the other hand, Suning's property infrastructure of store is well protected, so no large amount of capitals for renovation or new purchase items is required in the renovation process. Suning can complete the store renovation just by adjusting the minor parts of decoration and updating some operating equipment. At the same time, Suning further strengthened the control of economic returns and the operation efficiency of stores through subletting and rent reduction, thus reducing the need for Suning to rebuild individual stores. Based on the above-mentioned reasonable planning and design of stores, cost control was strengthened, and the scale of capital investment was better controlled, thus resulting in savings in fund raising after the completion of the project.</p> <p>The implementation of the store renovation project has certain effects on the improvement of Suning's quality of store management. The benefits realized by the project gradually show up, for example, 64, 133 and 5 stores were renovated and upgraded in 2016 and before, 2017 and 2018 respectively, and the net income from the renovation project from 2016 to 2018 was RMB 167.2323 million, RMB 651.4428 million and RMB 1,168.6974 million respectively. By implementing the effective cost control, Suning achieved the established goal of the renovation project with input of less raised fund.</p> <p>On the 45th meeting of the 6th Board of Directors and the 2nd extraordinary shareholders' meeting in 2019, Suning reached a resolution to pass the Proposal on Change of the Use of Partial Raised Funds, and agreed to use all balance of the raised funds of RMB 977.9266 million from the renovation store project to invest in the "new regional delivery center project (II)".</p>
Purpose of unused raised funds	The unused raised funds were used for the logistics operation business development project, logistics transportation business development project, new regional delivery center construction project (II), rental store project and

	purchase store project. All unused raised funds were deposited in the specific account of raised funds of Suning's raised funds supervision bank. In addition, in order to improve the fund income, Suning passed the Proposal on Buying Financial Products with Idle Raised Funds with Idle Raised Funds on the second meeting of the 7th Board of Directors, and agreed to purchase principal-guaranteed financial products with the part of the unused funds. As of September 30, 2020, Suning deposited RMB 1,464,516,700 of unused raised funds in the form of certificates of deposit, subscribed the principal-guaranteed bank financial products of commercial banks and other financial institutions with an amount of RMB 2,794,492,500, and deposited the remaining amount of RMB 1,163,217,300 in the form of demand deposits. There is no mortgage or pledge of certificates of deposit and other restrictions on ownership and use rights.
Problems in use and disclosure of raised funds or other conditions	None

Note 1: The net amount of Suning's actual raised funds is less than the amount planned in the non-public share offering plan 2015. According to the resolution passed on Suning's third interim shareholders' meeting in 2015, if the net amount of the actual raised funds (after deducting the issue expenses) is less than the total amount to be invested in the project, Suning will adjust and decide the specific projects to be invested, priority order of projects and the amount to be invested in each project according to the actual net amount of the raised funds and the priorities of the projects, and use the self-funds to supplement the insufficient amount apart from the raised funds. In view of this, Suning adjusted the amount of raised funds intended to be used in the logistics operation business development project of the logistics platform construction project according to the above principles, and the adjusted input amount of raised funds is RMB 3.242096 billion.

Note: On the 29th meeting of the 6th Board of Directors and the 6th extraordinary shareholders' meeting in 2018, Suning reached a resolution to pass the Proposal on Change of the Investment Use of Partial Raised Funds, and agreed to use partial raised funds of RMB 1.6 billion from the regional delivery center construction project to invest in the "Construction Project of New Regional Delivery Center" (hereinafter referred to as "New Regional Delivery Project"), and to use partial raised funds of RMB 350 million from the automatic picking center project to invest in the new regional delivery center project. For details of the project changes, please refer to Suning's Announcements No. 2018-124 and 2018-138.

Note 3: On the 29th meeting of the 6th Board of Directors and the 6th extraordinary shareholders' meeting in 2018, Suning reached a resolution to pass the Proposal on Change of the Investment Use of Partial Raised Funds, and agreed to use partial raised funds of RMB 1.22 billion from the automatic picking center project to invest in the logistics transportation business development project. For details of the project changes,

please refer to Suning's Announcements No. 2018-124 and 2018-138.

Note 4: On the 45th meeting of the 6th Board of Directors and the 2nd extraordinary shareholders' meeting in 2019, Suning reached a resolution to pass the Proposal on Change of the Use of Partial Raised Funds, and agreed to use all balance of the raised funds of RMB 977.9266 million from the renovation store project and partial raised funds of RMB 2 billion from the rental store project to invest in the "new regional delivery center project (II)". For details of the project changes, please refer to Suning's Announcements No. 2019-065 and 2019-072.

Note 5: On the 45th meeting of the 5th Board of Directors and the 1st extraordinary shareholders' meeting in 2017, Suning reached a resolution to pass the Proposal on Changing Use of Partial Raised Funds from Investment Project to Acquisition of Company Equity, and agreed to use the remaining unused raised funds of RMB 2.75849 billion from purchase store project to the acquisition of equity of TTK Express. For details of the project changes, please refer to Suning's Announcements No. 2017-004 and 2017-008.

Note 6: Through the automatic picking center project, regional delivery center construction project, new regional delivery center construction project and new regional delivery center construction project (II), Suning can efficiently allocate and dispatch resources and reduce actual operating costs. In the future, with the socialized operation of logistics, Suning will lease out some of its logistics warehouses to obtain rental income on the basis of satisfying its own needs.

The logistics operation development project is in line with Suning's strategic development direction in the future and displays a good market development prospects and economic benefits. After the completion of the project, Suning's ability to serve clients and platform merchants and logistics response time can be further improved, the logistics operation cost can be effectively reduced, thus improving Suning's competitiveness.

The logistics and transportation business development project will greatly improve the overall transportation and distribution capacity of Suning Logistics, effectively ensure the timeliness and safety of transportation. At the same time, the project will reduce the proportion of outsourcing transportation and control the outsourcing cost. The new energy logistics vehicles, which account for a relatively high proportion, can also effectively reduce the operation cost and enhance Suning Logistics' operation capacity.

Note 7: After all investment is allocated to the rental store project, renovation store project and purchase store project, the physical store network will be enriched, the competitiveness in the Internet plus competitive environment will be enhanced, the integration of online and offline will be realized, thus further improving Suning's profitability. The Suning.Com Cloud Store brand promotion project will not generate economic returns, but the consumer recognition, brand value and image of Suning will be greatly enhanced upon the completion of the project. In the first half of the year, due to COVID-2019, stores, especially those located at commercial plaza set up by Suning, were temporarily suspended or the business hours were shortened, and the sales were affected. With the stable sales of stores, the operating income of stores has been effectively improved. During the reporting period, the net income of rental store project is RMB 319,000, that of renovation store project is RMB 262,683,000, and that of purchasing store project is RMB 9,717,000.

Note 8: This acquisition of TTK Express is in line with Suning's strategic development direction in the future, and has good market prospects and economic benefits. After the completion of the project, Suning will carry out relevant business integration with TTK Express. With the prominent effect of business integration, Suning Logistics' capability will be greatly improved, thus driving the promotion of sales efficiency at the front desk and helping to enhance Suning's business development capability.

Note 9: Cloud computing projects, big data projects and smart home projects will not generate economic returns. After the completion of the cloud computing project, Suning's cloud computing research and development strength will be further enhanced. The investment will provide the technical and platform support for Suning's Internet transformation, and will provide a strong IT technical support for the continuous growth of Suning's business scale. After the big data project is completed, Suning will carry out systematic construction in big data collection, collation, processing, analysis and other aspects to provide data decision-making support for development of enterprise. The investment will provide technical and platform support for Suning's Internet transformation, and will provide a strong IT technical guarantee for the continuous growth of Suning's business scale. Through the implementation of the smart home project, on the one hand, Suning will realize the layout of the smart home and share the huge market space in this industry, and on the other hand, Suning can establish a complete ecosystem for manufacturers, retailers and consumers of Suning, thus further improving Suning's market competitiveness.

Note 10: After the raised funds were used to repay partial bank loans, Suning's asset-liability ratio

has decreased, the asset-liability structure has been optimized, short-term financial expenses have decreased, and the profitability has been strengthened, thus ensuring the sustainable development of Suning's business.

Note 11: On the 54th meeting of the 6th Board of Directors and the 1st extraordinary shareholders' meeting in 2020, Suning reached a resolution to pass the *Proposal on Change of the Use of Partial Raised Funds*, and agreed to use RMB 1.5 billion of the raised funds of the rental store project to repay loans to financial institutions. For details of the project changes, please refer to Suning's Announcements No. 2020-007 and 2020-019.

Note 12: The funds raised for the supplementary working capital project were mainly used to enrich commodities, and improve the purchase scale of 3C, mother and infant store, supermarkets to support the development of omni-category business, thus expanding Suning's differentiated purchasing ability and enhancing the added value of product management; increased investment in promotion of each link of the O2O platform to enhance its market competitiveness, further increased investment in the operation capability of the third-party platform, formulated active merchant policies, fostered the development of merchants, and enhanced the competitiveness of the third-party platform.

(3) Financial management of raised funds

The Proposal on Buying Financial Products with Idle Raised Funds was deliberated and passed on the second meeting of the 7th Board of Directors, with which, Suning was agreed to buy principal-guaranteed bank financial products issued by commercial bank and other financial institutions with the raised funds no more than RMB 9 billion (including) on the premise of meeting the construction progress need of projects with raised funds within the latest 12 months. The funds can be used in a rolling way within a year within the line of investment and financial management, viz. the balance of Suning after buying the principal-guaranteed bank financial products issued by commercial bank and other financial institutions with the raised funds at any time shall not be more than RMB 9 billion (including).

During January - September, 2020, Suning bought bank financial products with cumulative idle raised funds (including interest) of RMB 16,432,400,000, and received a financing income from raised funds of RMB 133,019,800 in the reporting period.

Up to September 30, 2020, the financial management balance of Suning's raised fund account was RMB 3,618,000,000, including raised funds of RMB 2,794,492,500 and interest income of RMB 823,507,500. The details are as follows:

Unit: RMB 1,000

Bank of deposit of raised funds	New financial management amount incurred in current period	Ending balance	
		Raise funds	Interest income
CITIC Bank Branch in Nanjing Longjiang	8,321,400.0	1,681,485.0	186,515.0

Bank of deposit of raised funds	New financial management amount incurred in current period	Ending balance	
		Raise funds	Interest income
Business Department of Nanjing Branch of China Everbright Bank Co., Ltd.	3,400,000.0	813,007.5	36,992.5
Business Department of Nanjing Branch of Huaxia Bank Co., Ltd.	4,200,000.0	300,000.0	600,000.0
Xinjiekou Sub-branch, Nanjing Branch of China Minsheng Bank	450,000.0	-	-
Nanjing Zhongyang Road Sub-branch of Industrial Bank Co., Ltd.	61,000.0	-	-
Total	16,432,400.0	2,794,492.5	823,507.5

VI. Forecast of business performance in 2020

Warning on that the accumulated net income from the beginning of the year to the end of next reporting period is anticipated to be loss or greatly variable compared with the same period of last year and the explanation on the relevant reasons

☐ Applicable ☒ Not applicable

VII. Major contracts involving daily operation

☐ Applicable ☒ Not applicable

VIII. Entrusted financing

Unit: RMB 10,000

Specific type	Source of funds for entrusted financial management	Amount of entrusted financial management	Undue balance	Overdue amount
Bank financial products	Self-owned funds and raised funds	694,909.06	383,116.20	-

Financial products of securities companies	Self-owned funds	65,821.25	85,545.06	-
Others	Self-owned funds	20,454.91	20,454.91	-
Total		781,185.22	489,116.17	-

Notes: 1. The amount of entrusted financial management disclosed by type refers to the maximum daily balance of such entrusted financial management in the reporting period, i.e. the maximum of the total outstanding balance of such entrusted financial management in the reporting period.

2. The outstanding balance refers to the total unexpired balance of this kind of entrusted financial management at the end of the reporting period.

Details of high-risk entrusted financial management with significant single amount or low security, poor liquidity and non-capital preservation

Unit: RMB 10,000

Name of trustee organization (or name of trustee)	Type of trustee organization	Product type	Amount	Capital source	Starting and ending dates	Ending date	Funds investment	Remuneration determination way	Reference annual yield rate	Prospective yield (if any)	Actual amount of gain or loss in the reporting period	Actual recovery of gain or loss in the reporting period	Amount of withdrawal of impairment provision	Passing legal procedures or not	Entrusted financial plan or not in future	Summary of events and relevant query indexes
CSI Global	Asset manager	Structure	84,015.0	Self-owned	2020/9/2	2021/9/2	Credit investment	Floating income	6.00%	None	-	-	-	Yes	N/A	N/A

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Note: As of September 30, 2020, Suning purchased CSI Global Markets Limited's wealth management products with idle self-owned capital of USD 123,368,300, which was converted into RMB 840,150,600 at the exchange rate of USD 1 to RMB 6.8101 on September 30, 2020.

Circumstances that entrusted financial management is not expected to recover the principal or other circumstances that may lead to impairment

☐ Applicable ☒ Not applicable

IX. External guarantee in violation of rules

☐ Applicable ☒ Not applicable

There is no external guarantee in violation of procedures in the reporting period.

X. Appropriation of non-operating funds of the listed company by controlling shareholders and their related parties

☐ Applicable ☒ Not applicable

No nonoperating funds of the listed company have been appropriated by controlling shareholders and their related parties in the reporting period.

XI. Registration form for receiving investigation, communication, and interview within reporting period

Reception time	Place	Reception type	Visitor type	Visitors	Main content for discussion and materials provided	Basic information index of investigation
January 09, 2020	Meeting room of headquarters	Field investigation	Organization	Shanxi Securities	Suning's future development plan, basic condition of Retail Cloud, Suning Group Purchase and FMCG business and future strategy	No. 20200109 Investor Relations Activities Record Table of Suning.Com Co., Ltd. on January 10, 2020 from cninfo

Reception time	Place	Reception type	Visitor type	Visitors	Main content for discussion and materials provided	Basic information index of investigation
January 10, 2020	Meeting room of headquarters	Field investigation	Organization	CMB Securities, Industrial Securities	Carrefour team and supply chain integration, logistics business, lower-tier market strategy and future business planning	No. 20200110 Investor Relations Activities Record Table of Suning.Com Co., Ltd. on January 13, 2020 from cninfo
January 15, 2020	Meeting room of headquarters	Field investigation	Organization	Avanda Investment Management Company	Omni-channel layout, integration of Wanda Department Store and Carrefour after acquisition, lower-tier market strategy and store opening situation, business situation of Redbaby stores, logistics development of Suning, etc.	No. 20200115 Investor Relations Activities Record Table of Suning.Com Co., Ltd. on January 15, 2020 from cninfo

Reception time	Place	Reception type	Visitor type	Visitors	Main content for discussion and materials provided	Basic information index of investigation
February 25, 2020	Headquarters Office Zone	Telephone communication	Organization	Institutional investors at home and abroad	Carrefour's business situation, future key work, store transformation direction, and private brand planning	No. 20200225 Investor Relations Activities Record Table of Suning.Com Co., Ltd. on February 25, 2020 from cninfo
March 16, 2020	Headquarters Office Zone	Telephone communication	Organization	SCHONFELD	Online and offline integration, and positioning, key work and other contents of Carrefour	No. 20200316 Investor Relations Activities Record Table of Suning.Com Co., Ltd. on March 17, 2020 from cninfo
March 17, 2020	Headquarters Office Zone	Telephone communication	Organization	BERNSTEIN	Integration strategy of online and offline, Carrefour integration, lower-tier city development, logistics development, etc.	No. 20200317 Investor Relations Activities Record Table of Suning.Com Co., Ltd. on March 18, 2020 from cninfo

Reception time	Place	Reception type	Visitor type	Visitors	Main content for discussion and materials provided	Basic information index of investigation
March 19, 2020	Headquarters Office Zone	Telephone communication	Organization	Macquarie Securities	Development condition of Retail Cloud business and Carrefour business, Suning's future strategic planning, etc.	No. 20200319 Investor Relations Activities Record Table of Suning.Com Co., Ltd. on March 23, 2020 from cninfo
March 23, 2020	Headquarters Office Zone	Telephone communication	Organization	Dongteng Innovation Investment	Development condition of the online and offline, Retail Cloud, Carrefour, and Suning Logistics, Suning's future strategic planning, etc.	No. 20200323 Investor Relations Activities Record Table of Suning.Com Co., Ltd. on March 24, 2020 from cninfo
May 14, 2020	Wujiaochang Suning Store in Shanghai	Field investigation	Organization	CITIC Securities, Maxwealth Fund, Lubao Investment, and An Zhong Investment	The store's transformation and business changes, category structure, promotion activities, customer volume recovery, etc. in recent years	No. 20200514 Investor Relations Activities Record Table of Suning.Com Co., Ltd. on May 17, 2020 from cninfo

Reception time	Place	Reception type	Visitor type	Visitors	Main content for discussion and materials provided	Basic information index of investigation
May 28, 2020	Xinjiekou Store in Nanjing, and Retail Cloud Featured Stores in Chunhua, Nanjing	Field investigation	Organization	CJ Securities	<p>1. Xinjiekou Store in Nanjing, know the store's transformation and business changes, category structure, customer volume recovery, etc.</p> <p>2. Retail Cloud Featured Stores in Chunhua, Nanjing, know advantages of Retail Cloud stores, recovery of epidemic situation, 618 promotion activities, operation of members and community, etc.</p>	No. 20200528 Investor Relations Activities Record Table of Suning.Com Co., Ltd. on June 1, 2020 from cninfo

Reception time	Place	Reception type	Visitor type	Visitors	Main content for discussion and materials provided	Basic information index of investigation
August 18, 2020	Carrefour Gubei Store in Shanghai	Field investigation	Organization	CITIC Securities	Carrefour store integration, store home business development, store Internet and digital situation	No. 20200818 Investor Relations Activities Record Table of Suning.Com Co., Ltd. on August 20, 2020 from cninfo
September 02, 2020	Headquarters Office Zone	Telephone communication	Organization	HSBC Qianhai Security	Development planning of Retail Cloud, third-party platform, Carrefour, and logistics	No. 20200902 Investor Relations Activities Record Table of Suning.Com Co., Ltd. on September 4, 2020 from cninfo

Section IV Financial Statements

I. Financial statements

1. Consolidated balance sheet

Unit: RMB 1,000

Items	September 30, 2020	December 31, 2019
Current assets:		
Monetary fund	30,837,476	33,902,215
Trading financial assets	7,600,195	11,970,008
Notes receivable	697,720	4,660,366
Accounts receivable	7,955,746	7,194,464
Accounts receivable financing	123,166	497,858
Advance payment	27,074,527	26,988,913
Other receivables	1,545,599	1,601,848
Including: interest receivables	64,942	220,111
Dividends receivable	206,094	102,008
Inventory	24,220,523	26,780,104
Non-current assets due within one year	12,707	11,488
Other current assets	7,180,292	7,154,210
Total current assets	107,247,951	120,761,474
Non-current assets:		

Items	September 30, 2020	December 31, 2019
Debt investment	10,285	10,442
Long-term receivables	968,198	947,264
Long-term equity investment	39,543,782	40,258,417
Other equity instruments investment	4,312,085	4,598,371
Other non-current financial assets	11,972,719	12,310,358
Investment property	6,016,823	6,150,434
Fixed assets	18,201,754	17,807,820
Construction in progress	3,522,815	4,343,334
Intangible assets	14,428,537	14,694,322
Development expenditure	9,526	42,927
Goodwill	7,477,796	7,477,796
Long-term unamortized expenses	1,997,816	2,524,836
Deferred income tax assets	5,203,219	4,130,170
Other non-current assets	279,992	797,080
Total non-current assets	113,945,347	116,093,571
Total assets	221,193,298	236,855,045
Current liabilities:		
Short-term loan	28,097,084	18,954,821

Items	September 30, 2020	December 31, 2019
Trading financial liabilities	63,900	-
Derivative financial liabilities	3,189	400
Notes payable	24,797,194	26,158,849
Accounts payable	23,851,525	44,380,475
Unearned revenue	-	7,157,577
Contract liabilities	13,350,092	-
Payroll payable	965,022	1,386,161
Taxes payable	2,177,484	1,713,287
Other payables	10,935,255	12,612,303
Including: interest payable	-	21,555
Dividends payable	-	-
Non-current liability due within one year	4,615,643	7,662,708
Estimated liabilities	117,197	151,177
Other current liabilities	993,343	1,079,223
Total current liabilities	109,966,928	121,256,981
Non-current liabilities:		
Long-term loan	6,248,381	7,720,895
Bond payables	7,995,071	8,488,802

Items	September 30, 2020	December 31, 2019
Including: preferred shares	-	-
Perpetual bonds	-	-
Long-term payables	2,642,175	2,440,760
Deferred income	811,447	2,231,956
Deferred income tax liabilities	7,153,613	7,567,680
Other non-current liabilities	1,322,872	3,158
Total non-current liabilities	26,173,559	28,453,251
Total liabilities	136,140,487	149,710,232
Owners' equity:		
Issued shares	9,310,040	9,310,040
Additional paid-in capital	37,167,714	37,249,004
Minus: treasury stock	2,306,996	1,899,961
Other comprehensive income	-639,798	197,575
Surplus reserve	1,724,862	1,748,672
General risk reserve	28,361	38,699
Undistributed profit	41,168,759	41,277,886
Total owners' equity attributable to the parent company	86,452,942	87,921,915

Items	September 30, 2020	December 31, 2019
Minority equity	-1,400,131	-777,102
Total equity	85,052,811	87,144,813
Total liability and Owner's equity	221,193,298	236,855,045

Legal representative: Zhang Jindong

Principal of accounting work: Huang Wei

Principal of accounting organization: Hua Zhisong

2. Balance sheet of parent company

Unit: RMB 1,000

Items	September 30, 2020	December 31, 2019
Current assets:		
Monetary fund	12,466,560	15,993,595
Trading financial assets	5,076,311	7,817,143
Notes receivable	2,549,424	7,445,608
Accounts receivable	62,483,317	93,518,152
Advance payment	30,264,076	28,845,889
Other receivables	24,620,459	23,356,245
Including: interest receivables	38,535	28,992
Dividends receivable	542,132	31,209
Inventory	15,950,814	18,125,245
Other current assets	2,258,178	2,275,473
Total current assets	155,669,139	197,377,350

Items	September 30, 2020	December 31, 2019
Non-current assets:		
Debt investment	10,285	10,442
Long-term receivables	968,621	969,335
Long-term equity investment	46,828,667	46,128,979
Other equity instruments investment	4,303,748	4,553,304
Other non-current financial assets	1,447,446	1,728,539
Investment property	550,919	689,445
Fixed assets	1,997,757	1,953,071
Construction in progress	38,667	35,888
Intangible assets	345,034	346,740
Development expenditure	4,369	4,290
Long-term unamortized expenses	73,137	103,251
Other non-current assets	151,111	119,515
Total non-current assets	56,719,761	56,642,799
Total assets	212,388,900	254,020,149
Current liabilities:		
Short-term loan	20,187,504	17,968,900
Trading financial liabilities	63,900	-
Derivative financial	3,189	400

Items	September 30, 2020	December 31, 2019
liabilities		
Notes payable	20,967,834	18,694,516
Accounts payable	27,598,364	84,632,541
Unearned revenue	-	51,780,639
Contract liabilities	70,013,634	-
Payroll payable	109,674	135,790
Taxes payable	69,859	196,239
Other payables	4,680,054	5,973,231
Including: interest payable	-	-
Dividends payable	-	-
Non-current liability due within one year	4,188,969	7,458,690
Estimated liabilities	6	10
Other current liabilities	43,520	9,764
Total current liabilities	147,926,507	186,850,720
Non-current liabilities:		
Long-term loan	1,397,000	2,083,000
Bond payables	7,995,071	8,488,802
Including: preferred shares	-	-
Perpetual bonds	-	-

Items	September 30, 2020	December 31, 2019
Long-term payables	380,000	380,000
Deferred income	49,936	382,029
Deferred income tax liabilities	1,609,878	1,847,311
Other non-current liabilities	203,440	-
Total non-current liabilities	11,635,325	13,181,142
Total liabilities	159,561,832	200,031,862
Owners' equity:		
Issued shares	9,310,040	9,310,040
Additional paid-in capital	37,069,614	37,150,905
Minus: treasury stock	2,306,996	1,899,961
Other comprehensive income	-1,037,649	-618,037
Surplus reserve	1,724,703	1,748,672
General risk reserve	28,361	38,699
Undistributed profit	8,038,995	8,257,969
Total equity	52,827,068	53,988,287
Total liability and Owner's equity	212,388,900	254,020,149

3. Consolidated profit statement of the reporting period

Unit: RMB 1,000

Items	Amount incurred in current period	Amount incurred in the last period
I. Gross operating income	62,437,954	65,437,433
Including: Operating income	62,437,954	65,437,433
II. Total cost of revenues	63,178,434	66,110,637
Including: Cost of revenues	52,977,140	54,876,165
Taxes and surcharges	210,196	237,605
Sales cost	7,543,653	8,224,584
Administration expense	1,224,839	1,286,408
R&D expense	584,729	954,278
Financial expenses	637,877	531,597
Including: interest expenses	25,747	416,742
Interest income	145,496	237,396
Plus: Other income	129,370	155,666
Investment income (loss indicated with "-")	1,250,306	16,429,967
Including: income from investments in associated enterprises and joint ventures	182,200	-194,876
Income from changes in fair value (loss indicated with "-")	237,451	-225,000
Credit impairment loss (loss indicated with "-")	-152,836	-513,485
Assets impairment loss (loss indicated with "-")	-118,736	-45,767
Profit from disposal of assets (loss indicated with "-")	-8,402	-188
III. Operating income (loss indicated with "-")	596,673	15,127,989

Items	Amount incurred in current period	Amount incurred in the last period
Plus: non-operating income	109,009	44,748
Minus: non-operating expenses	142,981	23,540
IV Total profit (total loss indicated with "-")	562,701	15,149,197
Minus: Income tax expenses	96,088	5,547,691
V. Net income (net loss indicated with "-")	466,613	9,601,506
(I) Classified by business continuity		
1. Net income from continuing operations ("- means net loss)	466,613	9,601,506
2. Net income from discontinuing operation (net loss indicated with "-")	-	-
(II) Classified by attribution of ownership		
1. Net income attributable to owners of parent company	713,711	9,763,848
2. Gain or loss of minority shareholders	-247,098	-162,342
VI. Other comprehensive income after tax	-979,806	212,239
Net of tax of other comprehensive income attributable to owners of parent company	-979,855	211,266
(I) Other comprehensive income which cannot be reclassified as gain or loss in future	-10,489	-187,089
1. Change due to re-measurement of defined benefit plans	-	-
2. Other comprehensive income that cannot be reclassified into the gain or loss under the Equity Method	-	-27,941

Items	Amount incurred in current period	Amount incurred in the last period
3. Fair value change in other equity instruments investment	-10,489	-159,148
4. Fair value change in the credit risk of the Company	-	-
5. Others	-	-
(II) Other comprehensive income which will be reclassified into the gain or loss	-969,366	398,355
1. Other comprehensive income that can be reclassified as gain or loss under the equity method	-82,027	-3,666
2. Fair value change in other debt investment	-	-
3. Amount of financial assets reclassified and included into other comprehensive income	-	-
4. Credit impairment provisions for other debt investment	3,982	-
5. Hedging reserve of cash flow	-	-
6. Translation difference from foreign currency financial statements	-891,321	402,021
7. Others	-	-
Net of tax of other comprehensive income attributable to minority shareholders	49	973
VII. Total comprehensive income	-513,193	9,813,745
Total consolidated income belonging to parent company owners	-266,144	9,975,114
Total consolidated income attributable to minority shareholder	-247,049	-161,369

Items	Amount incurred in current period	Amount incurred in the last period
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.0780	1.0657
(II) Diluted earnings per share (RMB/share)	0.0767	1.0636

In the current period of business merger under the same control, the net income of the merged party before the merger date is: RMB 0; the net income of the merged party in the last period is: RMB 0.

Legal representative: Zhang Jindong
Principal of accounting organization: Hua Zhisong

Principal of accounting work: Huang Wei

4. Parent company's profit statement of the reporting period

Unit: RMB 1,000

Items	Amount incurred in current period	Amount incurred in the last period
I. Operating income	42,325,465	41,177,238
Minus: Cost of revenues	40,582,348	38,517,929
Taxes and surcharges	16,850	21,188
Sales cost	1,196,595	1,811,442
Administration expense	358,174	388,239
R&D expense	46,217	315,579
Financial expenses	399,138	368,326
Including: interest expenses	175,868	412,320
Interest income	88,178	168,554
Plus: Other income	3,550	2,311
Investment income (loss indicated with "-")	1,163,835	4,802,603

Items	Amount incurred in current period	Amount incurred in the last period
Including: income from investments in associated enterprises and joint ventures	282,124	83,004
Income from changes in fair value (loss indicated with "-")	2,895	-87,808
Credit impairment loss (loss indicated with "-")	-18,127	-71,709
Assets impairment loss (loss indicated with "-")	-114,366	-50,088
Profit from disposal of assets (loss indicated with "-")	-156	525
II. Operating income (loss indicated with "-")	763,774	4,350,369
Plus: non-operating income	10,763	9,400
Minus: non-operating expenses	1,980	-27
III. Total profits (loss indicated with "-")	772,557	4,359,796
Minus: Income tax expenses	107,018	3,360,323
IV. Net income (net loss indicated with "-")	665,539	999,473
(I) Net income from continuing operation (net loss indicated with "-")	665,539	999,473
(II) Net income from discontinuing operation (net loss indicated with "-")	-	-
V. Other comprehensive income after tax	-35,832	-79,458
(I) Other comprehensive income which cannot be reclassified as gain or loss in future	4,151	-78,609
1. Change due to re-measurement of defined benefit plans	-	-
2. Other comprehensive income that cannot	-	-5,390

Items	Amount incurred in current period	Amount incurred in the last period
be reclassified into the gain or loss under the Equity Method		
3. Fair value change in other equity instruments investment	4,151	-73,219
4. Fair value change in the credit risk of the Company	-	-
5. Others	-	-
(II) Other comprehensive income which will be reclassified into the gain or loss	-39,983	-849
1. Other comprehensive income that can be reclassified as gain or loss under the equity method	-39,983	-849
2. Fair value change in other debt investment	-	-
3. Amount of financial assets reclassified and included into other comprehensive income	-	-
4. Credit impairment provisions for other debt investment	-	-
5. Hedging reserve of cash flow	-	-
6. Translation difference from foreign currency financial statements	-	-
7. Others	-	-
VI. Total comprehensive income	629,707	920,015
VII. Earnings per share:		
(I) Basic earnings per share	N/A	N/A
(II) Diluted earnings per share	N/A	N/A

5. Consolidated profit statement from the beginning of the financial year to the end of the reporting period

Unit: RMB 1,000

Items	Amount incurred in current period	Amount incurred in the last period
I. Gross operating income	180,861,784	201,008,612
Including: Operating income	180,861,784	201,008,612
II. Total cost of revenues	182,759,760	205,225,445
Including: Cost of revenues	153,597,569	171,408,525
Taxes and surcharges	659,375	770,893
Sales cost	20,951,872	24,653,397
Administration expense	3,361,555	3,982,587
R&D expense	1,774,718	2,411,918
Financial expenses	2,414,671	1,998,125
Including: interest expenses	1,198,705	1,569,931
Interest income	416,281	563,110
Plus: Other income	709,772	346,544
Investment income (loss indicated with "-")	2,189,442	21,504,501
Including: income from investments in associated enterprises and joint ventures	72,576	388,771
Income from changes in fair value (loss indicated with "-")	-574,518	-50,961
Credit impairment loss (loss indicated with "-")	-201,102	-844,480
Assets impairment loss (loss indicated with "-")	-225,534	-239,930

Items	Amount incurred in current period	Amount incurred in the last period
Profit from disposal of assets (loss indicated with "—")	-18,108	-2,904
III. Operating income (loss indicated with "—")	-18,024	16,495,937
Plus: non-operating income	269,518	841,469
Minus: non-operating expenses	226,972	153,050
IV. Total profit (total loss indicated with "-")	24,522	17,184,356
Minus: Income tax expenses	100,016	5,499,954
V. Net income (net loss indicated with "-")	-75,494	11,684,402
(I) Classified by business continuity		
1. Net income from continuing operations ("- means net loss)	-75,494	11,684,402
2. Net income from discontinuing operation (net loss indicated with "-")	-	-
(II) Classified by attribution of ownership		
1. Net income attributable to owners of parent company	547,114	11,903,313
2. Gain or loss of minority shareholders	-622,608	-218,911
VI. Other comprehensive income after tax	-837,324	151,598
Net of tax of other comprehensive income attributable to owners of parent company	-837,373	99,429
(I) Other comprehensive income which cannot be reclassified as gain or loss in future	-360,121	61,064
1. Change due to re-measurement of defined benefit plans	-	-

Items	Amount incurred in current period	Amount incurred in the last period
2. Other comprehensive income that cannot be reclassified into the gain or loss under the Equity Method	-	-34,085
3. Fair value change in other equity instruments investment	-360,121	95,149
4. Fair value change in the credit risk of the Company	-	-
5. Others	-	-
(II) Other comprehensive income which will be reclassified into the gain or loss	-477,252	38,365
1. Other comprehensive income that can be reclassified as gain or loss under the equity method	-77,005	-14,480
2. Fair value change in other debt investment	-	-
3. Amount of financial assets reclassified and included into other comprehensive income	-	-
4. Credit impairment provisions for other debt investment	3,151	
5. Hedging reserve of cash flow	-	-
6. Translation difference from foreign currency financial statements	-403,398	52,845
7. Others	-	-
Net of tax of other comprehensive income attributable to minority shareholders	49	52,169
VII. Total comprehensive income	-912,818	11,836,000
Total consolidated income belonging to parent	-290,259	12,002,742

Items	Amount incurred in current period	Amount incurred in the last period
company owners		
Total consolidated income attributable to minority shareholder	-622,559	-166,742
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	0.0599	1.2992
(II) Diluted earnings per share (RMB/share)	0.0588	1.2887

In the current period of business merger under the same control, the net income of the merged party before the merger date is: RMB 0; the net income of the merged party in the last period is: RMB 0.

Legal representative: Zhang Jindong
Principal of accounting organization: Hua Zhisong

Principal of accounting work: Huang Wei

6. Parent company's profit statement from the beginning of the financial year to the end of the reporting period

Unit: RMB 1,000

Items	Amount incurred in current period	Amount incurred in the last period
I. Operating income	114,210,231	143,283,570
Minus: Cost of revenues	108,745,189	135,483,994
Taxes and surcharges	27,826	67,466
Sales cost	3,649,161	5,136,282
Administration expense	973,978	1,498,953
R&D expense	115,274	416,315
Financial expenses	1,460,773	1,230,734
Including: interest expenses	1,035,746	1,374,103

Items	Amount incurred in current period	Amount incurred in the last period
Interest income	220,016	331,627
Plus: Other income	100,008	3,750
Investment income (loss indicated with "-")	1,595,813	5,141,011
Including: income from investments in associated enterprises and joint ventures	583,505	181,805
Income from changes in fair value (loss indicated with "-")	-463,618	144,883
Credit impairment loss (loss indicated with "-")	-56	-120,505
Assets impairment loss (loss indicated with "-")	-197,683	-190,518
Profit from disposal of assets (loss indicated with "-")	-814	10
II. Operating income (loss indicated with "-")	271,680	4,428,457
Plus: non-operating income	27,012	35,355
Minus: non-operating expenses	7,831	9,686
III. Total profits (loss indicated with "-")	290,861	4,454,126
Minus: Income tax expenses	-118,205	3,396,955
IV. Net income (net loss indicated with "-")	409,066	1,057,171
(I) Net income from continuing operation (net loss indicated with "-")	409,066	1,057,171
(II) Net income from discontinuing operation (net loss indicated with "-")	-	-
V. Other comprehensive income after tax	-419,612	371,010
(I) Other comprehensive income which cannot be	-357,692	366,802

Items	Amount incurred in current period	Amount incurred in the last period
reclassified as gain or loss in future		
1. Change due to re-measurement of defined benefit plans	-	-
2. Other comprehensive income that cannot be reclassified into the gain or loss under the Equity Method	-	10,624
3. Fair value change in other equity instruments investment	-357,692	356,178
4. Fair value change in the credit risk of the Company	-	-
5. Others	-	-
(II) Other comprehensive income which will be reclassified into the gain or loss	-61,920	4,208
1. Other comprehensive income that can be reclassified as gain or loss under the equity method	-61,920	4,208
2. Fair value change in other debt investment	-	-
3. Amount of financial assets reclassified and included into other comprehensive income	-	-
4. Credit impairment provisions for other debt investment	-	-
5. Hedging reserve of cash flow	-	-
6. Translation difference from foreign currency financial statements	-	-
7. Others	-	-
VI. Total comprehensive income	-10,546	1,428,181

Items	Amount incurred in current period	Amount incurred in the last period
VII. Earnings per share:		
(I) Basic earnings per share	N/A	N/A
(II) Diluted earnings per share	N/A	N/A

7. Consolidated cash flow statement from the beginning of the financial year to the end of the reporting period

Unit: RMB 1,000

Items	Amount incurred in current period	Amount incurred in the last period
I. Cash flows from operating activities:		
Cash received from sales and services	221,329,672	220,231,854
Other cash receipts relating to operating activities	2,232,496	4,172,950
Subtotal of cash inflows from operating activities	223,562,168	224,404,804
Cash paid for goods and services	196,645,695	203,470,294
Cash paid to and on behalf of employees	9,571,837	12,761,762
Payment of taxes and surcharges	3,316,236	5,281,553
Other cash paid relating to operating activities	16,457,392	22,854,736
Subtotal of cash outflows from operating activities	225,991,160	244,368,345
Net cash flows from operating activities	-2,428,992	-19,963,541
II. Cash flows from investment activities:		
Cash receipts from withdraw of investments	31,882,011	78,948,485
Cash received from investment income	1,944,397	2,865,934

Items	Amount incurred in current period	Amount incurred in the last period
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	87,726	27,388
Net cash received from disposal of subsidiaries and other business units	-158,452	4,325,154
Subtotal of cash inflows of investment activity	33,755,682	86,166,961
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	4,208,649	9,886,258
Cash paid for investment	28,158,654	85,555,644
Net cash used for acquiring subsidiaries and other business units	-	3,916,445
Other cash paid relating to investing activities	-	9,307,470
Subtotal of cash outflows for investment activities	32,367,303	108,665,817
Net cash flow from investment activities	1,388,379	-22,498,856
III. Cash flow from financing activities:		
Cash proceeds from investments by others	3,000	10,000,000
Including: Cash received from minority shareholders' investment in subsidiaries	3,000	10,000,000
Cash received from borrowings	42,923,167	51,906,029
Cash received from issuing bonds	499,700	4,789,850
Other cash receipts relating to financing activities	9,965,132	6,935,686
Subtotal of cash inflows of financing activities	53,390,999	73,631,565
Cash repayments of debts	40,730,115	34,598,986
Cash paid for the distribution of dividends, profits or	2,034,728	2,651,432

Items	Amount incurred in current period	Amount incurred in the last period
interest payment		
Including: Share dividends and profits paid to minority shareholders by subsidiaries	-	-
Other cashes paid relating to financing activities	13,638,778	9,489,831
Subtotal of cash outflows from financing activities	56,403,621	46,740,249
Net cash flow from financing activities	-3,012,622	26,891,316
IV. Effect of exchange rate changes on cash and cash equivalents	-239,274	339,749
V. Net increase in cash and cash equivalents	-4,292,509	-15,231,332
Plus: Balance of cash and cash equivalents at beginning of period	17,919,907	30,220,850
VI. Cash and cash equivalents balance at the end of this period	13,627,398	14,989,518

8. Parent company cash flow statement from the beginning of the financial year to the end of the reporting period

Unit: RMB 1,000

Items	Amount incurred in current period	Amount incurred in the last period
I. Cash flows from operating activities:		
Cash received from sales and services	101,432,138	154,092,615
Other cash receipts relating to operating activities	15,007,028	25,748,707
Subtotal of cash inflows from operating activities	116,439,166	179,841,322
Cash paid for goods and services	90,402,139	145,447,446
Cash paid to and on behalf of employees	804,237	1,087,556

Items	Amount incurred in current period	Amount incurred in the last period
Payment of taxes and surcharges	253,754	522,243
Other cash paid relating to operating activities	24,948,538	42,098,162
Subtotal of cash outflows from operating activities	116,408,668	189,155,407
Net cash flows from operating activities	30,498	-9,314,085
II. Cash flows from investment activities:		
Cash receipts from withdraw of investments	25,400,195	57,295,156
Cash received from investment income	716,517	2,044,905
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,934	241
Net cash received from disposal of subsidiaries and other business units	-	4,262,409
Subtotal of cash inflows of investment activity	26,121,646	63,602,711
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	153,812	553,543
Cash paid for investment	23,162,132	61,459,243
Subtotal of cash outflows for investment activities	23,315,944	62,012,786
Net cash flow from investment activities	2,805,702	1,589,925
III. Cash flow from financing activities:		
Cash received from borrowings	20,933,123	20,986,796
Cash received from issuing bonds	499,700	-
Subtotal of cash inflows of financing activities	21,432,823	20,986,796
Cash repayments of debts	24,872,126	13,238,550

Items	Amount incurred in current period	Amount incurred in the last period
Cash paid for the distribution of dividends, profits or interest payment	1,574,628	2,319,769
Other cashes paid relating to financing activities	1,300,894	998,815
Subtotal of cash outflows from financing activities	27,747,648	16,557,134
Net cash flow from financing activities	-6,314,825	4,429,662
IV. Effect of exchange rate changes on cash and cash equivalents	-	-
V. Net increase in cash and cash equivalents	-3,478,625	-3,294,498
Plus: Balance of cash and cash equivalents at beginning of period	10,999,335	13,309,922
VI. Cash and cash equivalents balance at the end of this period	7,520,710	10,015,424

II. Notes on adjustment in financial statements

1. Status of implementing new revenue accounting standards and new lease accounting standards and implementing relevant items in the financial statements at the beginning of the year for the first time from 2020

Consolidated Balance Sheet

Unit: RMB 1,000

Items	December 31, 2019	January 01, 2020	Amount adjusted
Current assets:			
Monetary fund	33,902,215	33,902,215	-
Deposit reservation for balance			

Items	December 31, 2019	January 01, 2020	Amount adjusted
Lending funds			
Trading financial assets	11,970,008	11,970,008	-
Derivative financial assets			
Notes receivable	4,660,366	4,660,366	-
Accounts receivable	7,194,464	7,194,464	-
Accounts receivable financing	497,858	497,858	-
Advance payment	26,988,913	26,988,913	-
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	1,601,848	1,601,848	-
Including: interest receivables	220,111	220,111	-
Dividends receivable	102,008	102,008	-
Redemptory monetary capital for sale			
Inventory	26,780,104	29,094,317	2,314,213
Contract assets			
Assets held for sale			
Non-current assets due within one year	11,488	11,488	-

Items	December 31, 2019	January 01, 2020	Amount adjusted
Other current assets	7,154,210	7,206,744	52,534
Total current assets	120,761,474	123,128,221	2,366,747
Non-current assets:			
Issued loans and advances			
Debt investment	10,442	10,442	-
Other debt investment			
Long-term receivables	947,264	947,264	-
Long-term equity investment	40,258,417	40,258,417	-
Other equity instruments investment	4,598,371	4,598,371	-
Other non-current financial assets	12,310,358	12,310,358	-
Investment property	6,150,434	6,150,434	-
Fixed assets	17,807,820	17,807,820	-
Construction in progress	4,343,334	4,343,334	-
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	14,694,322	14,694,322	-
Development expenditure	42,927	42,927	-
Goodwill	7,477,796	7,477,796	-

Items	December 31, 2019	January 01, 2020	Amount adjusted
Long-term unamortized expenses	2,524,836	2,524,836	-
Deferred income tax assets	4,130,170	4,130,170	-
Other non-current assets	797,080	797,080	-
Total non-current assets	116,093,571	116,093,571	-
Total assets	236,855,045	239,221,792	2,366,747
Current liabilities:			
Short-term loan	18,954,821	18,954,821	-
Loans from the Central Bank			
Borrowing funds			
Trading financial liabilities			
Derivative financial liabilities	400	400	-
Notes payable	26,158,849	26,158,849	-
Accounts payable	44,380,475	44,374,889	-5,586
Unearned revenue	7,157,577	-	-7,157,577
Contract liabilities	-	9,878,565	9,878,565
Financial assets sold for repurchase			
Deposits from customers and interbank			
Receiving from vicariously traded securities			

Items	December 31, 2019	January 01, 2020	Amount adjusted
Receiving from vicariously sold securities			
Payroll payable	1,386,161	1,386,161	-
Taxes payable	1,713,287	1,917,015	203,728
Other payables	12,612,303	12,616,973	4,670
Including: interest payable	21,555	21,555	-
Dividends payable			
Handling charges and commission payable			
Dividends payable for reinsurance			
Liabilities held for sale			
Non-current liability due within one year	7,662,708	7,662,708	-
Estimated liabilities	151,177	151,177	-
Other current liabilities	1,079,223	883,943	-195,280
Total current liabilities	121,256,981	123,985,501	2,728,520
Non-current liabilities:			
Insurance contract reserves			
Long-term loan	7,720,895	7,720,895	-
Bond payables	8,488,802	8,488,802	-
Including: preferred shares			

Items	December 31, 2019	January 01, 2020	Amount adjusted
Perpetual bonds			
Lease liabilities			
Long-term payables	2,440,760	2,440,760	-
Long-term payroll payable			
Estimated liabilities			
Deferred income	2,231,956	821,763	-1,410,193
Deferred income tax liabilities	7,567,680	7,567,680	-
Other non-current liabilities	3,158	1,285,678	1,282,520
Total non-current liabilities	28,453,251	28,325,578	-127,673
Total liabilities	149,710,232	152,311,079	2,600,847
Owners' equity:			
Issued shares	9,310,040	9,310,040	-
Other equity instruments			
Including: preferred shares			
Perpetual bonds			
Additional paid-in capital	37,249,004	37,249,004	-
Minus: treasury stock	1,899,961	1,899,961	-
Other comprehensive income	197,575	197,575	-
Special reserve			
Surplus reserve	1,748,672	1,724,703	-23,969

Items	December 31, 2019	January 01, 2020	Amount adjusted
General risk reserve	38,699	38,699	-
Undistributed profit	41,277,886	41,067,755	-210,131
Total owners' equity attributable to the parent company	87,921,915	87,687,815	-234,100
Minority equity	-777,102	-777,102	-
Total equity	87,144,813	86,910,713	-234,100
Total liability and Owner's equity	236,855,045	239,221,792	2,366,747

Adjustment description: This adjustment was made in accordance with the provisions of Notice on Revising and Issuing of the Accounting Standards for Business Enterprises No. 14 - Income (CK [2017] No. 22) issued by the Ministry of Finance.

Balance Sheet of the Parent Company

Unit: RMB 1,000

Items	December 31, 2019	January 01, 2020	Amount adjusted
Current assets:			
Monetary fund	15,993,595	15,993,595	-
Trading financial assets	7,817,143	7,817,143	-
Derivative financial assets			
Notes receivable	7,445,608	7,445,608	-
Accounts receivable	93,518,152	93,518,152	-
Accounts receivable financing			
Advance payment	28,845,889	28,845,889	-

Items	December 31, 2019	January 01, 2020	Amount adjusted
Other receivables	23,356,245	23,356,245	-
Including: interest receivables	28,992	28,992	-
Dividends receivable	31,209	31,209	-
Inventory	18,125,245	20,166,009	2,040,764
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets	2,275,473	2,326,298	50,825
Total current assets	197,377,350	199,468,939	2,091,589
Non-current assets:			
Debt investment	10,442	10,442	-
Other debt investment			
Long-term receivables	969,335	969,335	-
Long-term equity investment	46,128,979	46,128,979	-
Other equity instruments investment	4,553,304	4,553,304	-
Other non-current financial assets	1,728,539	1,728,539	-
Investment property	689,445	689,445	-

Items	December 31, 2019	January 01, 2020	Amount adjusted
Fixed assets	1,953,071	1,953,071	-
Construction in progress	35,888	35,888	-
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	346,740	346,740	-
Development expenditure	4,290	4,290	-
Goodwill			
Long-term unamortized expenses	103,251	103,251	-
Deferred income tax assets			
Other non-current assets	119,515	119,515	-
Total non-current assets	56,642,799	56,642,799	-
Total assets	254,020,149	256,111,738	2,091,589
Current liabilities:			
Short-term loan	17,968,900	17,968,900	-
Trading financial liabilities			
Derivative financial liabilities	400	400	-
Notes payable	18,694,516	18,694,516	-
Accounts payable	84,632,541	84,632,541	-

Items	December 31, 2019	January 01, 2020	Amount adjusted
Unearned revenue	51,780,639	-	-51,780,639
Contract liabilities	-	54,183,549	54,183,549
Payroll payable	135,790	135,790	-
Taxes payable	196,239	164,487	-31,752
Other payables	5,973,231	5,973,492	261
Including: interest payable			
Dividends payable			
Liabilities held for sale			
Non-current liability due within one year	7,458,690	7,458,690	-
Estimated liabilities	10	10	-
Other current liabilities	9,764	62,077	52,313
Total current liabilities	186,850,720	189,274,452	2,423,732
Non-current liabilities:			
Long-term loan	2,083,000	2,083,000	-
Bond payables	8,488,802	8,488,802	-
Including: preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables	380,000	380,000	-

Items	December 31, 2019	January 01, 2020	Amount adjusted
Long-term payroll payable			
Deferred income	382,029	50,916	-331,113
Deferred income tax liabilities	1,847,311	1,847,311	-
Other non-current liabilities		203,440	203,440
Total non-current liabilities	13,181,142	13,053,469	-127,673
Total liabilities	200,031,862	202,327,921	2,296,059
Owners' equity:			
Issued shares	9,310,040	9,310,040	-
Other equity instruments			
Including: preferred shares			
Perpetual bonds			
Additional paid-in capital	37,150,905	37,150,905	-
Minus: treasury stock	1,899,961	1,899,961	-
Other comprehensive income	-618,037	-618,037	-
Special reserve			
Surplus reserve	1,748,672	1,724,703	-23,969
General risk reserve	38,699	38,699	-
Undistributed profit	8,257,969	8,077,468	-180,501
Total equity	53,988,287	53,783,817	-204,470

Items	December 31, 2019	January 01, 2020	Amount adjusted
Total liability and Owner's equity	254,020,149	256,111,738	2,091,589

Adjustment description: This adjustment was made in accordance with the provisions of Notice on Revising and Issuing of the Accounting Standards for Business Enterprises No. 14 - Income (CK [2017] No. 22) issued by the Ministry of Finance.

2. Status of retroactive adjustment of early comparative data upon the first implementation of new revenue accounting standards and new lease accounting standards in 2020

☐ Applicable ☒ Not applicable

III. Audit Report

Whether the third quarter report has been audited or not

☐ Yes ☒ No

Suning's third quarter report has not been audited.

Suning.Com Co., Ltd.

Chairman: Zhang Jindong

October 31, 2020