

**Suning.Com Co., Ltd.**  
**2020 First Quarter Report**



April 2020

## Section I Important Notices

The Company's Board of Directors, Board of Supervisors and directors, supervisors and senior managements guarantee that the content of the quarterly report is true, accurate and complete, without false records, misleading statements or major omissions, and assume individual and joint legal responsibilities.

All directors of the Company have attended the board meeting of deliberating the quarterly report in person. Directors Yang Guang and Xu Hong attended remotely due to official business.

Zhang Jindong, board chairman of the Company, 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

	Reporting period	Same period of last year	Increase or decrease of current period compared with that of last year
Operating revenue	57,839,184	62,241,506	-7.07%
Net profit attributable to the shareholders of listed company	-550,949	135,885	-505.45%
Net profit to the listed company shareholders after deducting nonrecurring gain or loss	-500,367	-990,551	49.49%
Net cash flows from business activities	-3,925,437	-5,817,083	32.52%
Basic earnings per share (EPS) (RMB/share)	-0.0592	0.0147	-502.72%
Diluted EPS (RMB/share)	-0.0592	0.0147	-502.72%
Weighted average rate of return on net assets	-0.63%	0.17%	-0.80%
	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	225,996,595	236,855,045	-4.58%

Net assets attributable to the shareholders of the listed company	87,317,577	87,921,915	-0.69%
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Notes: 1. Earnings per share and weighted average return on net assets were calculated and filled in based on net profit 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 the Company during the reporting period reduced by 118,710,321 repurchased shares.

2. By the end of 2019, Suning has completed the statements for Suning Financial Services Group, Suning CVS and Japan LAOX, which should no longer be included in the scope of consolidated statements during the reporting period.

3. The net profit attributable to shareholders of the listed company showed a YoY decrease of 505.45% for the first quarter due to the large amount of non-recurring gain or loss in the same period of last year. The net profit attributable to shareholders of the listed company with the non-recurring gain or loss deducted was RMB -500 million for the first quarter, and showed a YoY loss of RMB 991 million compared with the same period of 2019, and a month-on-month loss of RMB 1.559 billion compared with the fourth quarter of 2019, which has improved significantly.

The Company's total issued shares as of the previous trading day before disclosure:

The Company's total issued shares as of the previous trading day before disclosure (share)	9,191,329,334
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Fully diluted earnings per share calculated as per the latest total issued capital:

Preferred stock dividends paid	0
Fully diluted earnings per share calculated as per the latest total issued capital (RMB/share)	-0.0599

Note: According to the *Rules for the Implementation of Shares Repurchased by Listed Companies in Shenzhen Stock Exchange*, the outstanding total issued shares 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 shares as of the previous trading day of disclosure" shall be that with the number of shares in repurchased special account deducted.

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)	-3,123
Government subsidies included in the current gain or loss, except those which are closely related to the Company's businesses, and to which the Company is continuously entitled on the basis of a certain standard quota or fixed amount	379,453
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 the Company's normal business operations.	-492,411
Investment income from disposal of subsidiaries	66,360
Non-operating revenues and expenses other than the items above	16,213
Minus: Affected income tax	15,412
Affected minority equity (after-tax)	1,662
Total	-50,582

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, number of 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		345,686	Total number of preferred stock with voting right recovered at the end of the reporting period		0	
Shareholding of Top 10 shareholders						
Shareholders' name	Nature of shareholder	Shareholding 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	Pledge	300,000,000
Suning Appliance Group Co., Ltd.	Domestic non-state-owned legal person	19.99%	1,861,076,979	-	Pledge	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	1.35%	126,096,910	-	-	-
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	-	-	-
Employee Stock Ownership Plan for Phase III Employees of Suning.Com Co., Ltd.	Others	0.78%	73,070,874	-	-	-
Employee Stock Ownership Plan for Phase II Employees of Suning.Com Co., Ltd.	Others	0.71%	65,919,578			
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., Ltd.	309,730,551	RMB common shares	309,730,551
Chen Jinfeng	184,127,709	RMB common shares	184,127,709
Hong Kong Securities Clearing Company Ltd.	126,096,910	RMB common shares	126,096,910
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
Employee Stock Ownership Plan for Phase III Employees of Suning.Com Co., Ltd.	73,070,874	RMB common shares	73,070,874
Employee Stock Ownership Plan for Phase II Employees of Suning.Com Co., Ltd.	65,919,578	RMB common shares	65,919,578
Particulars about connected relation or concerted action among the shareholders mentioned above	<p>1. Mr. Zhang Jindong, Mr. Zhang Kangyang and Nanjing Runxian Enterprise Management Center (limited partnership) respectively hold 51%, 39% and 10% equity in Suning Holdings Group Co., Ltd. Mr. Zhang Kangyang 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 the Company's total issued capital. Suning Appliance Group Co., Ltd. holds 89,009,599 shares of the Company, accounting for 0.96% of the total issued capital of the Company through the "Tibet Trust Corporation Limited - Tibet Trust - Shunjing 34 Collective Funds Trust Plan"; holds 85,979,961</p>		

	<p>shares of the Company, accounting for 0.92% of the total issued capital of the Company through the "Tibet Trust Corporation Limited - Tibet Trust - Levo 6 Collective Funds Trust Plan"; holds 83,489,598 shares of the Company, accounting for 0.90% of the total issued capital of the Company through the "Tibet Trust Corporation Limited - Tibet Trust - Shunjing 53 Collective Funds Trust Plan"; holds 38,160,122 shares of the Company, accounting for 0.41% of the total issued capital of the Company 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 whether there are other relationships between the top 10 major shareholders of the Company and the top 10 shareholders with unlimited selling conditions, and whether there are any persons acting in concert stipulated in the <i>Measures for the Administration of the Takeover of Listed Companies</i>.</p>
Explanation for top 10 common shareholders participating in the margin trading business	None

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

Yes  No

Top ten shareholders and top ten 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

Affected by COVID-19, the total retail sales of consumer goods has showed a YoY decrease of 19.0%, the total on-line retail sales has showed a YoY decrease of 0.8%, the total retail sales of household appliances and audio and video equipment above the quota showed a YoY decrease of 29.9%, and the total retail sales of communication equipment showed a YoY decrease of 3.6%. Therefore, the development of retail industry has faced more severe external environmental challenges. At the same time, more and more consumers are choosing and getting used to on-line purchase and home-delivery service due to the influence of the epidemic, and brand owners and retailers are playing a more active role in promoting the process of Internet and digitalization, as well as proposing higher requirements on the commodity operation capacity, channel membership operation capacity and performance capacity of enterprises. In conclusion, enterprises must make timely adjustment and response.

Affected by the epidemic situation, all local stores for 3C household appliances and general merchandise of Suning have temporarily suspended their operations or shortened their business hours according to the local epidemic control regulations during the reporting period, which have a great impact on the sales; moreover, the sales volume of on-the-spot mounted products has also been affected greatly due to the restrictions of traffic control, community / village blockade, on-the-spot mounted conditions and others. Since the resumption of work and production in March, off-line customers have gradually recovered, but still declined. Facing the epidemic situation, Suning has made concerted efforts from top to bottom to give full play to the advantages of scenario-based Internet operation capacity, omni-category and self-supported logistics, and give active response to the situation.

Suning quickly promoted the Internet operation of stores and actively developed the home-delivery service. Besides, Suning also keeps strengthening training for terminal employees in Internet operation skills, and further taps the potential of community consumption by using Internet tools such as Suning Live Streaming, Suning Tuike, Suning TuoKe and Cloud Store applets. During the epidemic period, thousands of on-line stores carried out Live Streaming for sales, and the orders of Tuike has achieved a YoY increase of 194.84%; Carrefour supermarkets have persisted in ensuring the people's livelihood and integrated the supply chain for fast moving consumer goods deeply. In February, Carrefour applets, Suning.Com Apps, Suning CVSs and Carrefour home-delivery service have been promoted rapidly. The sales proportion of home-delivery service for Carrefour supermarkets and stores has improved rapidly month by month, accounting for nearly 10% in March.

And meanwhile, Suning keeps improving and perfecting the supply chain of commodities quickly, deepening operation and speeding up opening up in combination with consumer demands. During the reporting period, the sales volume for household appliances and consumer electronics has been affected, and the sales volume for FMCGs, maternal and infant products, fresh food and other

commodities has increased rapidly. The sales volume for FMCGs in the first quarter has achieved a YoY increase of 167.99% for Suning. In order to effectively activate consumer demands, various methods such as 24-month interest-free installment for 3C household appliances and issuance of consumer vouchers have been introduced. And by taking advantages of supporting logistics, finance and other supporting policies, the number and activity of merchants also increased significantly. During the epidemic period, the number of monthly active users of Suning has showed a YoY increase of 36.87%, and the number of registered members of Suning was 578 million by March 31. In the first quarter, Suning realized on-line gross merchandise volume of RMB 61.04 billion (with tax), with a YoY increase of 12.78%, of which self-operated gross merchandise volume of RMB 36.872 billion (with tax), and RMB 24.168 billion (with tax) gross merchandise volume of third-party platform, with a YoY increase of 49.05%. Suning will firmly promote the development of third-party platform and realize a steady increase in sales volume.

The self-supported logistics owned by Suning has highlighted advantages, and Suning Logistics keeps operating during Spring Festival and the epidemic period. Relying on the widely distributed physical stores of Suning, the construction for fast picking warehouse of Carrefour stores has been pushed rapidly so as to provide the customers with "delivery within 30 min" and "delivery within 1 h" instant delivery services, as well as the "delivery within half-day" service. As of March 31, 2020, Carrefour supermarkets have 217 stores covered by the "delivery within 1 h" service and 123 stores covered by the "delivery within half-day" service. At the same time, Suning Logistics has actively fulfilled its social responsibility, opened "green channels" for free transportation of relief supplies to areas with severe epidemic situation, and initiated the transport capacity deployment in more than 100 cities across the country to meet the demand for supply transportation. In addition, Suning Logistics has continuously strengthened its opening up scope, with its cooperative partners in industries of 3C household appliances, home decoration, fresh food, general merchandise, maternal and infant products, fitness equipment, etc.

In general, the operating revenue of Suning was RMB 57.839 billion in the first quarter in 2020, with a YoY decrease of 7.07% as affected by the epidemic. However, the gross merchandise volume of Suning has achieved RMB 88.672 billion in the first quarter with a YoY increase of 2.01%, of which the YoY increase for gross merchandise volume in mainland China was 4.8%, thanks to the empowerment of opening up and the continuous enrichment of ecological circle partners.

## **1、 Situations of Suning Internet stores during reporting period**

(1) During the reporting period, the operation of Suning stores has been greatly affected by the epidemic. Suning has accelerated its adjustment and paid more attention to the "big stores" layout of the first and second-tier markets. The core commercial sphere is covered by Suning.Com Plazas and Suning.Com Cloud Stores, and the community commercial sphere takes Carrefour Supermarket as its develop priority while adjustments on professional store formats should be accelerated in combination with their location and operation quality, and the mode of Retail Cloud franchised stores should be accelerated according to established plans in lower-tier markets. During the reporting period, there were 5 new 3C Speciality Stores, while 163 such stores were closed; there were 1 new Redbaby maternal and infant stores, while 24 such stores were closed; 8 SuFresh supermarkets were incorporated into Carrefour China for unified operation in order to

effectively integrate resources; there were 466 new Retail Cloud franchised stores, while 561 direct-sale Suning.Com stores were closed. As of March 31, 2020, the changes in Suning Internet stores are as follows:

	Stores (as of December 31, 2019)		New stores (opened during January to March 2020)		Closed stores (closed during January to March 2020)		Stores (as of March 31, 2020)	
	Quantity	Area (Note 1)	Quantity	Area	Quantity	Area	Quantity	Area
Suning.Com Plaza (Note 2)	37	98.28	-	-	-	-	37	98.28
3C Speciality Store	2,307	522.35	5	0.94	163	32.67	2,149	490.44
Direct-sale stores of Suning.Com	833	26.60	-	-	561	15.91	272	10.68
Carrefour Supermarket	233	144.60	8	2.16	1	0.55	240	146.26
Suning RedBaby	175	21.96	1	0.13	24	2.88	152	19.21
Hong Kong stores	30	0.68	-	-	2	0.04	28	0.64
Self-owned stores (total)	3,615	814.47	14	3.23	751	52.05	2,878	765.51
Suning Retail Cloud franchised store	4,586	-	466	-	89	-	4,963	-

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 3C Speciality Stores

Under the influence of suspended operation during the epidemic period, the revenue from off-line retail sales of the Suning's comparable 3C Speciality Stores (referring to stores opened on or before

January 1, 2019, the same as below) in the first quarter showed a YoY decrease of 42.60%. Suning would actively grasp the market recovery and enhance the Internet operation capability of stores. By issuing consumer vouchers, 24-month interest-free installment and other policies, as well as implementing integration of delivery and installation, old for new service and other service measures, Suning would like to further stimulate sales, form service capability for customers and improve store sales.

## ② Redbaby maternal and infant stores

Affected by the epidemic situation during the reporting period, Redbaby maternal and infant stores opened in squares and shopping centers were temporarily closed, which had an impact on the sales revenue of comparable stores of Redbaby. The sales revenue of comparable stores in the first quarter has showed a YoY decrease of 20.91%.

## (II) Operation result and causes analysis

Unit: RMB 1,000

Items	January to March 2020	January to March 2019	YoY change
Operating revenue	57,839,184	62,241,506	-7.07%
Cost of revenues	48,764,579	52,346,411	-6.84%
Selling cost	7,132,783	8,223,822	-13.27%
Administration cost	1,010,962	1,207,846	-16.30%
R&D cost	773,031	862,687	-10.39%
Financial cost	534,277	498,460	7.19%
Income from changes in fair value	-640,227	81,249	-887.98%
Other income	379,453	50,144	656.73%
Investment income	232,897	733,628	-68.25%
Operating revenue	-851,706	-414,035	-105.71%
Non-operating income	51,166	546,641	-90.64%

Items	January to March 2020	January to March 2019	YoY change
Non-operating expenses	34,309	69,450	-50.60%
Total profit	-834,849	63,156	-1421.88%
Income tax	-95,415	-40,650	-134.72%
Net profit	-739,434	103,806	-812.32%
Net profit attributable to the shareholders of listed company	-550,949	135,885	-505.45%

(1) During the reporting period, the operating revenue of Suning has a YoY decrease of 7.07% in the first quarter. Carrefour supermarkets owned by Suning have persisted in ensuring the people's livelihood, and launched the home-delivery service quickly so as to obtain steady improvement in performance. Therefore, the operating revenue for Carrefour China continued to be positive and increased in the first quarter, and its operational cash flow has a significant YoY improvement.

(2) Because of the epidemic influence during the reporting period, the revenue of the same store has decreased as the on-line business developed rapidly. Because of the sales structure, the gross profit rate has obtained a YoY decrease. With further integration of the supply chain for FMCGs, development of independent products, and business development of third-party platform and logistics services, the comprehensive gross profit level is expected to improve.

(3) In terms of operating expenses, Suning has practiced strict economy, strictly controlled various expenses, strengthened performance assessment and improved internal management efficiency. For brick-and-mortar stores, Suning actively negotiated reduction and exemption of rental expenses, and strictly controlled the promotion investment. During the reporting period, the operating cost rate of Suning has a YoY decrease of 0.74%. Suning withdrew the interests of issuing the corporate bonds of 2018 in the reporting period, increased the short-term loans, and issued RMB 500 million medium-term notes, all of which have brought a YoY increase of 0.15% to the Suning's financial expense rate. In general, the total expense rate of Suning has a decrease of 0.59% compared with the same period of last year.

(4) The fair value reduction of trading financial assets invested by Suning would result in fair value changes, the influence of which caused a YoY decrease of 887.98%.

(5) A YoY increase of 656.73% for other income has been obtained thanks mainly to governmental subsidies obtained by Suning during the report period.

(6) The increase in investment income was mainly caused by the adjustment of accounting methods for the shares of Wanda Commercial held in the same period of last year. So, during the

reporting period, the investment income has a YoY decrease of 68.25% and the non-operating revenue has a YoY decrease of 90.64%.

(7) The non-operating expenses have a YoY decrease of 50.60% mainly because of fewer penalties and liquidated damages of Suning during the reporting period while compared with that in the same period of last year.

(8) The income tax expense has a YoY decrease of 134.72% because of the increased losses of Suning during the reporting period.

There was a YoY decrease in company operating revenue, total profit and net profit attributable to shareholders of the listed company because of the influence of non-recurring gain or loss in the same period of last year.

### (III) Analysis of assets, liabilities and equities

Unit: RMB 1,000

Items	March 31, 2020	December 31, 2019	Change
Other accounts receivable	1,102,286	1,601,848	-31.19%
Short-term loan	25,169,019	18,954,821	32.78%
Unearned revenue	1,487,909	7,157,577	-79.21%
Contract liabilities	9,003,277	-	-
Taxes payable	2,436,453	1,713,287	42.21%
Other comprehensive income	396,881	197,575	100.88%

(1) Other receivables have a YoY decrease of 31.19% mainly because of the returned information service fee for Suning.Com Tmall Flagship Store received by Suning during the reporting period.

(2) On the one hand, Suning maintained good liquidity based on business demands; on the other hand, the short-term loans of Suning have an increase of 32.78% compared with the beginning of the period because of the positive supporting to the key epidemic prevention, control & protection enterprises provided by financial institutions during the epidemic period.

(3) According to the new income standards, the prepaid sales amount was reclassified to contract liabilities, and the tax in unearned revenue was reclassified to carry-over output tax belonging to taxes payable, thus bringing about changes in deposit received and taxes payable compared with those in the beginning of the period.

(4) Other comprehensive income has an increase of 100.88% while comparing with that in the beginning of the period mainly because of the conversion differences in the foreign currency statements.

**(IV) Cash flow analysis**

Unit: RMB 1,000

Items	January to March 2020	January to March 2019	YoY change
Net cash flows from business activities	-3,925,437	-5,817,083	32.52%
Cash inflow from business activities	72,999,744	73,200,110	-0.27%
Cash outflow for business activities	76,925,181	79,017,193	-2.65%
Net cash flow from investment activities:	697,604	-5,672,911	112.30%
Cash inflow from investment activities	9,032,660	32,020,651	-71.79%
Cash outflow for investment activities	8,335,056	37,693,562	-77.89%
Net cash flow from financing activities	413,463	7,514,043	-94.50%
Cash inflow from financing activities	18,278,168	23,647,536	-22.71%
Cash outflow for financing activities	17,864,705	16,133,493	10.73%

Affected by the epidemic situation during the reporting period, the sales revenue of Suning declined, part of the payment for goods and expenses were relatively rigid, resulting in a net cash flow of RMB -3.925 billion from the business activities of Suning during reporting period. However, based on the gradually optimized operating fund management capability of Suning, it has a YoY increase of 32.52%.

During the reporting period, the net cash flow from the investment activities of Suning has a YoY increase of 112.30% mainly because of the redemption influence of due investment financing during the reporting period.

During the reporting period, the net cash flow from the financing activities of Suning has a YoY increase of 94.50% mainly because of new financing requirements of Suning Financial Services Group during the same period of last year.

**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 March 31, 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.

As of March 31, 2020, 525 employees of Suning meet the above conditions, involving 123.08 million shares of employee stock ownership plan.

## 5. Changes in asset management organization

The Company 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*.

In the reporting period, the management organization of this employee stock ownership plan has not changed.

## **(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**

As of March 31, 2020, the shares held by employee stock ownership plan is 73,070,874, accounting for 0.78% of Suning's total issued capital.

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 determine 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.

As of March 31, 2020, 159 employees of Suning meet the above conditions, involving 47.34 million 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, the Company confirmed that the management expenses during the waiting period for the current employee shareholding plan were about RMB 22 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). The Company 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). On August 21, 2019, Suning announced the *Report on Repurchasing Part of Public Shares* (Announcement No. 2019-081) and the *Announcement on Shareholding Information of Top 10 Shareholders Concerning Share Repurchasing* (Announcement No. 2019-082), on August 22, 2019, Suning announced the *Legal Opinions of Shanghai Branch of Beijing King & Wood Mallesons on Repurchasing Part of Public Shares of Suning.Com Co., Ltd.*

As of the transaction day prior to the disclosure of this report, the total number of shares repurchased by the Company was 3,470.39, accounting for 0.37% of the Company's total issued capital. The highest transaction price was RMB 10.79 per share and the lowest transaction price was RMB 9.00 per share. The total amount paid was RMB 354.842 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 the Company in the reporting period**

Applicable  Not applicable

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

## IV. Securities investment

Unit: RMB 1,000

Security type	Security code	Security 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	-393,214	-	-	-172,032	-372,975	2,140,338	Trading financial assets	Self-owned funds
Domestic and overseas stocks	600050.SH	China Unicom	4,016,309	Fair value measurement	3,161,110	-	-1,214,782	-	-	-	2,801,527	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	-43,219	-	-	-	-43,219	211,175	Trading financial assets	Self-owned funds
Domestic and overseas stocks	2048.HK	E-House Holdings	340,193	Fair value measurement	186,237	-	-180,085	-	-	-	160,108	Other current assets	Self-owned funds
Domestic and overseas stocks	6806.HK	Shenwan Hongyuan	348,569	Fair value measurement	227,495	-	-168,860	-	-	-	179,709	Other current assets	Self-owned funds
Domestic and overseas stocks	WSG.O	Wanda Sports	280,231	Fair value measurement	85,459	-4,534	1,620	-	-	-4,534	82,545	Trading financial assets	Self-owned funds
Disclosure date of announcement of board of directors for approving security investment	The <i>Proposal on Venture Investment with Own Funds</i> reviewed and approved on the 17th meeting of the 6th Board of Directors of Suning was disclosed on March 31, 2018; and the <i>Proposal on Increasing the Amount of Venture Capital Using Its Own Funds</i> 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 <i>Proposal on Venture Investment with Own Funds</i> passed by the resolution of annual shareholders' meeting in 2017 was disclosed on May 9, 2018; and the <i>Proposal on Increasing the Amount of Venture Capital Using Its Own Funds</i> passed by the resolution of 7th Extraordinary Shareholders' Meeting of 2018 was disclosed on December 13, 2018.												

**V. 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	582,223.21	357,756.20	0
Trust financial products	Self-owned funds	30,000.00	0	0
Financial products of securities companies	Self-owned funds	64,474.41	64,474.41	0
Others	Self-owned funds	21,010.00	11,267.00	0
Total		697,707.62	433,497.61	0

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	Type of trustee	Type	Amount	Capital source	Starting and ending	Ending date	Funds investment	Remuneration	Reference annu	Prospective yield	Actual amount	Actual record	Amount of	Passing legal	Entrusted	Summary of events
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ion (or name of trustee)	e organization			ce	dates			determination way	al yield rate	(if any)	unt of gain or loss in the reporting period	very of gain or loss in the reporting period	with drawal of impairment provision	procedures or not	financing plan or not in future	and relevant query indexes
CSI Global Markets Limited	Asset management company	Structure note	64,474.41 (Note )	Self-owned funds	9/25/2019	9/25/2020	Credit instruments	Floating income	6.00%	None	0	0	0	Yes	Not applicable	Not applicable
Total			64,474.41	--	--	--	--	--	--	--	0	--	0	--	--	--

Note: As of March 31, 2020, Suning purchased CSI Global Markets Limited's wealth management products with idle self-owned capital of USD 91 million, which was converted into RMB 644.7441 million at the exchange rate of USD 1 to RMB 7.0851 on March 31, 2020.

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

Applicable  Not applicable

#### VI. Investment on derivatives

Applicable  Not applicable

There was no derivative investment during the reporting period.

#### VII. External guarantee in violation of rules

Applicable  Not applicable

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

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

Applicable  Not applicable

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

#### IX. Registration form for investigation reception, communication and interview in the reporting period

Reception time	Reception type	Visitor type	Basic information index of investigation
January 09, 2020	Field research	Organization	No. 20200109 <i>Investor Relations Activities Record Table of Suning.Com Co., Ltd.</i> on January 10, 2020 from cninfo
January 10, 2020	Field research	Organization	No. 20200110 <i>Investor Relations Activities Record Table of Suning.Com Co., Ltd.</i> on 1/13/2020 from cninfo
January 15, 2020	Field research	Organization	No. 20200115 <i>Investor Relations Activities Record Table of Suning.Com Co., Ltd.</i> on 1/15/2020 from cninfo
February 25, 2020	Telephone communication	Organization	No. 20200225 <i>Investor Relations Activities Record Table of Suning.Com Co., Ltd.</i> on 2/25/2020 from cninfo
March 16, 2020	Telephone communication	Organization	No. 20200316 <i>Investor Relations Activities Record Table of Suning.Com Co., Ltd.</i> on 3/17/2020 from cninfo

Reception time	Reception type	Visitor type	Basic information index of investigation
March 17, 2020	Telephone communication	Organization	No. 20200317 <i>Investor Relations Activities Record Table of Suning.Com Co., Ltd.</i> on 3/18/2020 from cninfo
March 19, 2020	Telephone communication	Organization	No. 20200319 <i>Investor Relations Activities Record Table of Suning.Com Co., Ltd.</i> on 3/23/2020 from cninfo
March 23, 2020	Telephone communication	Organization	No. 20200323 <i>Investor Relations Activities Record Table of Suning.Com Co., Ltd.</i> on 3/24/2020 from cninfo

## Section IV Financial Statements

### I. Financial Statements

#### 1. Consolidated balance sheet

Unit: RMB 1,000

Items	March 31, 2020	December 31, 2019
Current assets:		
Monetary fund	31,063,348	33,902,215
Trading financial assets	9,024,081	11,970,008
Notes receivable	4,369,892	4,660,366
Accounts receivable	6,675,599	7,194,464
Accounts receivable financing	630,863	497,858
Advance payment	27,222,489	26,988,913
Other accounts receivable	1,102,286	1,601,848
Including: interest receivable	223,999	220,111
Dividends receivable	102,008	102,008
Inventory	22,348,105	26,780,104
Non-current assets due within one year	11,488	11,488
Other current assets	7,197,168	7,154,210
Total current assets	109,645,319	120,761,474
Non-current assets:		

Items	March 31, 2020	December 31, 2019
Debt investment	10,082	10,442
Long-term accounts receivable	968,291	947,264
Long-term equity investment	40,271,599	40,258,417
Other equity instruments investment	4,422,253	4,598,371
Other non-current financial assets	12,311,525	12,310,358
Investment property	6,018,502	6,150,434
Fixed assets	18,796,010	17,807,820
Construction in progress	3,332,809	4,343,334
Intangible assets	14,815,604	14,694,322
Development expenditure	36,377	42,927
Goodwill	7,477,796	7,477,796
Long-term unamortized expenses	2,358,949	2,524,836
Deferred income tax assets	4,599,937	4,130,170
Other non-current assets	931,542	797,080
Total non-current assets	116,351,276	116,093,571
Total assets	225,996,595	236,855,045
Current liabilities:		

Items	March 31, 2020	December 31, 2019
Short-term loan	25,169,019	18,954,821
Derivative financial liabilities	739	400
Notes payable	19,290,155	26,158,849
Accounts payable	33,946,107	44,380,475
Unearned revenue	1,487,909	7,157,577
Contract liabilities	9,003,277	-
Payroll payable	1,185,147	1,386,161
Taxes payable	2,436,453	1,713,287
Other payables	12,926,012	12,612,303
Including: interest payable	-	21,555
Dividends payable	-	-
Non-current liability due within one year	5,409,215	7,662,708
Estimated liabilities	154,193	151,177
Other current liabilities	784,031	1,079,223
Total current liabilities	111,792,257	121,256,981
Non-current liabilities:		
Long-term loan	6,874,523	7,720,895
Bonds payable	8,990,382	8,488,802
Long-term payables	2,492,906	2,440,760

Items	March 31, 2020	December 31, 2019
Deferred income	2,144,444	2,231,956
Deferred income tax liabilities	7,342,312	7,567,680
Other non-current liabilities	7,788	3,158
Total non-current liabilities	27,852,355	28,453,251
Total liabilities	139,644,612	149,710,232
Owners' equity:		
Capital stock	9,310,040	9,310,040
Additional paid-in capital	37,271,920	37,249,004
Minus: Treasury stock	1,944,971	1,899,961
Other comprehensive income	396,881	197,575
Surplus reserve	1,748,672	1,748,672
General risk reserve	37,865	38,699
Undistributed profit	40,497,170	41,277,886
Total owners' equity attributable to the parent company	87,317,577	87,921,915
Minority equity	-965,594	-777,102
Total owners' equity	86,351,983	87,144,813
Total liability and owner's equity	225,996,595	236,855,045

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

Principal of accounting work: Huang Wei

## 2. Balance sheet of parent company

Unit: RMB 1,000

Items	March 31, 2020	December 31, 2019
Current assets:		
Monetary fund	14,769,143	15,993,595
Trading financial assets	6,186,346	7,817,143
Notes receivable	6,863,944	7,445,608
Accounts receivable	102,080,541	93,518,152
Advance payment	29,069,824	28,845,889
Other accounts receivable	23,530,102	23,356,245
Including: interest receivable	29,914	28,992
Dividends receivable	31,209	31,209
Inventory	14,275,522	18,125,245
Other current assets	2,828,610	2,275,473
Total current assets	199,604,032	197,377,350
Non-current assets:		
Debt investment	10,082	10,442
Long-term accounts receivable	969,127	969,335

Items	March 31, 2020	December 31, 2019
Long-term equity investment	46,402,532	46,128,979
Other equity instruments investment	4,376,613	4,553,304
Other non-current financial assets	1,728,539	1,728,539
Investment property	650,801	689,445
Fixed assets	1,958,361	1,953,071
Construction in progress	38,673	35,888
Intangible assets	348,226	346,740
Development expenditure	2,696	4,290
Long-term unamortized expenses	79,676	103,251
Deferred income tax assets	-	-
Other non-current assets	420,416	119,515
Total non-current assets	56,985,742	56,642,799
Total assets	256,589,774	254,020,149
Current liabilities:		
Short-term loan	20,008,676	17,968,900
Derivative financial liabilities	739	400
Notes payable	16,022,357	18,694,516

Items	March 31, 2020	December 31, 2019
Accounts payable	82,816,756	84,632,541
Unearned revenue	57,401,655	51,780,639
Contract liabilities	950,491	-
Payroll payable	156,528	135,790
Taxes payable	443,905	196,239
Other payables	6,603,706	5,973,231
Including: interest payable	-	-
Dividends payable	-	-
Non-current liability due within one year	5,000,963	7,458,690
Estimated liabilities	-	10
Other current liabilities	7,988	9,764
Total current liabilities	189,413,764	186,850,720
Non-current liabilities:		
Long-term loan	1,398,000	2,083,000
Bonds payable	8,990,382	8,488,802
Long-term payables	380,000	380,000
Deferred income	323,586	382,029
Deferred income tax liabilities	1,690,511	1,847,311
Total non-current liabilities	12,782,479	13,181,142

Items	March 31, 2020	December 31, 2019
Total liabilities	202,196,243	200,031,862
Owners' equity:		
Capital stock	9,310,040	9,310,040
Additional paid-in capital	37,173,827	37,150,905
Minus: Treasury stock	1,944,971	1,899,961
Other comprehensive income	-847,298	-618,037
Surplus reserve	1,748,672	1,748,672
General risk reserve	37,865	38,699
Undistributed profit	8,915,396	8,257,969
Total owners' equity	54,393,531	53,988,287
Total liability and owner's equity	256,589,774	254,020,149

### 3. Consolidated income statement

Unit: RMB 1,000

Items	Amount incurred in current period	Amount incurred in last period
I. Total operating revenue	57,839,184	62,241,506
Including: Operating income	57,839,184	62,241,506
II. Total cost of revenues	58,441,738	63,318,202
Including: Cost of revenues	48,764,579	52,346,411
Taxes and surcharges	226,106	178,976

Items	Amount incurred in current period	Amount incurred in last period
Selling cost	7,132,783	8,223,822
Administration cost	1,010,962	1,207,846
R&D cost	773,031	862,687
Financial cost	534,277	498,460
Including: Interest	375,913	683,279
Interest income	173,254	184,819
Plus: Other income	379,453	50,144
Investment income (loss indicated with "-")	232,897	733,628
Including: Investment income from associated enterprises and joint ventures	18,720	146,605
Income from changes in fair value (loss indicated with "-")	-640,227	81,249
Credit impairment loss (loss indicated with "-")	-43,085	-
Assets impairment loss (loss indicated with "-")	-174,423	-201,500
Assets disposal income (loss indicated with "-")	-3,767	-860
III. Operating income (loss indicated with "-")	-851,706	-414,035
Plus: Non-operating income	51,166	546,641
Minus: Non-operating expenses	34,309	69,450
IV. Total profit (total loss indicated with "-")	-834,849	63,156
Minus: Income tax expense	-95,415	-40,650
V. Net profit (net loss indicated with "-")	-739,434	103,806

Items	Amount incurred in current period	Amount incurred in last period
(I) Classified by business continuity		
1. Net profit from going concern (net loss indicated with "-")	-739,434	103,806
2. Net profit from discontinuing operation (net loss indicated with "-")	-	-
(II) Classified by attribution of ownership		
1. Net profit attributable to owners of parent company	-550,949	135,885
2. Gain or loss of minority shareholders	-188,485	-32,079
VI. Other comprehensive income (net of tax)	199,306	-78,270
Net of tax of other comprehensive income attributable to owners of parent company	199,306	-46,996
(I) Other comprehensive income which cannot be reclassified as gain or loss in future	-350,320	664,021
1. Change due to re-measurement of defined benefit plans	-	-
2. Other comprehensive income that cannot be reclassified as gain or loss under the equity method	-	18,181
3. Fair value change in other equity instruments investment	-350,320	645,840
4. Fair value change in the credit risk of the Company	-	-
5. Others	-	-
(II) Other comprehensive income which will be reclassified as gain or loss	549,626	-711,017
1. Other comprehensive income that can be	69,622	-3,898

Items	Amount incurred in current period	Amount incurred in last period
reclassified as gain or loss under the equity method		
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	-1,231	-
5. Hedging reserve of cash flow	-	-
6. Translation difference from foreign currency financial statements	481,235	-707,119
7. Others	-	-
Net of tax of other comprehensive income attributable to minority shareholders	-	-31,274
VII. Total comprehensive income	-540,128	25,536
Total consolidated income attributable to owners of parent company	-351,643	88,889
Total comprehensive income attributable to minority shareholders	-188,485	-63,353
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	-0.0592	0.0147
(II) Diluted earnings per share (RMB/share)	-0.0592	0.0147

In the current period of business merger under the same control, the net profit of the merged party before the merger date is: RMB 0; the net profit 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. Income statement of parent company

Unit: RMB 1,000

Items	Amount incurred in current period	Amount incurred in last period
I. Operating revenue	33,364,974	46,713,487
Minus: Cost of revenues	29,769,885	44,019,743
Taxes and surcharges	16,342	22,195
Selling cost	1,394,647	1,739,261
Administration cost	345,056	420,106
R&D cost	32,884	141,275
Financial cost	424,386	429,404
Including: Interest	354,986	498,927
Interest income	46,274	69,522
Plus: Other income	85,690	644
Investment income (loss indicated with "-")	209,242	14,006
Including: Investment income from associated enterprises and joint ventures	146,732	-5,494
Income from changes in fair value (loss indicated with "-")	-439,074	221,990
Credit impairment loss (loss indicated with "-")	172	-
Assets impairment loss (loss indicated with "-")	-146,590	-123,008
Assets disposal income (loss indicated with "-")	-378	-30
II. Operating revenue (loss indicated with "-")	1,090,836	55,105
Plus: Non-operating income	8,658	14,675

Items	Amount incurred in current period	Amount incurred in last period
Minus: Non-operating expenses	1,378	1,282
III. Total profit (total loss indicated with "-")	1,098,116	68,498
Minus: Income tax expense	238,168	14,370
IV. Net profit (net loss indicated with "-")	859,948	54,128
(I) Net profit from going concern (net loss indicated with "-".)	859,948	54,128
(II) Net profit from discontinuing operation (net loss indicated with "-".)	-	-
V. Net of tax of other comprehensive income	-229,261	725,848
(I) Other comprehensive income which cannot be reclassified as gain or loss in future	-269,687	729,747
1. Change due to re-measurement of defined benefit plans	-	-
2. Other comprehensive income that cannot be reclassified as gain or loss under the equity method	-	18,181
3. Fair value change in other equity instruments investment	-269,687	711,566
4. Fair value change in the credit risk of the Company	-	-
5. Others	-	-
(II) Other comprehensive income which will be reclassified as gain or loss	40,426	-3,899
1. Other comprehensive income that can be reclassified as gain or loss under the equity method	40,426	814
2. Fair value change in other debt investment	-	-

Items	Amount incurred in current period	Amount incurred in last period
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	-	-4,713
7. Others	-	-
VI. Total comprehensive income	630,687	779,976
VII. Earnings per share:		
(I) Basic earnings per share	Not applicable	Not applicable
(II) Diluted earnings per share	Not applicable	Not applicable

## 5. Consolidated statement of cash flow

Unit: RMB 1,000

Items	Amount incurred in current period	Amount incurred in last period
I. Cash flow from business activities:		
Cash received from sale of goods or provisions of services	72,236,140	72,081,201
Other cash receipts relating to business activities	763,604	1,118,909
Sub-total of cash inflows from business activities	72,999,744	73,200,110
Cash paid for goods and services	68,167,961	65,631,445

Items	Amount incurred in current period	Amount incurred in last period
Cash paid to and on behalf of employees	3,796,175	4,845,950
Payment of taxes and surcharges	1,293,496	1,161,422
Other cash payments relating to business activities	3,667,549	7,378,376
Sub-total of cash outflows for business activities	76,925,181	79,017,193
Net cash flows from business activities	-3,925,437	-5,817,083
II. Cash flow from investing activities		
Cash receipts from withdraw of investments	8,607,082	31,986,830
Cash received from investment income	366,347	31,450
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	13,428	2,371
Net cash received from disposal of subsidiaries and other business units	45,803	-
Sub-total of cash inflows from investment activities	9,032,660	32,020,651
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,133,072	2,296,575
Cash payments for investments	6,201,984	35,433,707
Net cash paid for acquiring subsidiaries and other business units	-	-46,613
Other cash paid relating to investment activities	-	9,893
Sub-total of cash outflows for investment activities	8,335,056	37,693,562
Net cash flow from investment activities:	697,604	-5,672,911
III. Cash flow from financing activities:		

Items	Amount incurred in current period	Amount incurred in last period
Cash received from investments by others	-	100,000
Including: Cash received from minority shareholders' investment in subsidiaries	-	100,000
Cash received from borrowings	16,142,540	19,867,826
Cash received from issuing bonds	499,700	1,275,850
Other cash receipts relating to financing activities	1,635,928	2,403,860
Subtotal of cash inflows from financing activities	18,278,168	23,647,536
Cash repayments for debts	13,623,561	11,653,679
Cash paid for distribution of dividends, profits or interest payment	243,280	299,570
Including: Share dividends and profits paid to minority shareholders by subsidiaries	-	-
Other cash payments relating to financing activities	3,997,864	4,180,244
Sub-total of cash outflows for financing activities	17,864,705	16,133,493
Net cash flow from financing activities	413,463	7,514,043
IV. Effect of foreign exchange rate changes on cash and cash equivalents	216,714	-501,607
V. Net increase in cash and cash equivalents	-2,597,656	-4,477,558
Plus: Balance of cash and cash equivalents at the beginning of the period	17,919,907	30,220,850
VI. Closing balance of cash and cash equivalents	15,322,251	25,743,292

**6. Cash flow statement of parent company**

Unit: RMB 1,000

Items	Amount incurred in current period	Amount incurred in last period
<b>I. Cash flow from business activities:</b>		
Cash received from sale of goods or provisions of services	25,526,999	48,704,512
Other cash receipts relating to business activities	4,605,829	6,382,765
Sub-total of cash inflows from business activities	30,132,828	55,087,277
Cash paid for goods and services	23,697,300	49,003,607
Cash paid to and on behalf of employees	299,217	476,951
Payment of taxes and surcharges	131,896	115,201
Other cash payments relating to business activities	6,184,955	14,109,561
Sub-total of cash outflows for business activities	30,313,368	63,705,320
Net cash flows from business activities	-180,540	-8,618,043
<b>II. Cash flow from investing activities</b>		
Cash receipts from withdraw of investments	5,829,462	23,096,146
Cash received from investment income	72,348	26,063
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,126	38
Sub-total of cash inflows from investment activities	5,905,936	23,122,247
Cash paid to acquire fixed assets, intangible assets and other long-term assets	343,107	443,475
Cash payments for investments	4,729,176	23,693,311

Items	Amount incurred in current period	Amount incurred in last period
Sub-total of cash outflows for investment activities	5,072,283	24,136,786
Net cash flow from investment activities:	833,653	-1,014,539
III. Cash flow from financing activities:		
Cash received from borrowings	7,893,164	11,414,253
Cash received from issuing bonds	499,700	-
Subtotal of cash inflows from financing activities	8,392,864	11,414,253
Cash repayments for debts	9,173,601	3,473,294
Cash paid for distribution of dividends, profits or interest payment	180,313	183,958
Other cash payments relating to financing activities	45,010	144,660
Sub-total of cash outflows for financing activities	9,398,924	3,801,912
Net cash flow from financing activities	-1,006,060	7,612,341
IV. Effect of foreign exchange rate changes on cash and cash equivalents	37,376	-10,800
V. Net increase in cash and cash equivalents	-315,571	-2,031,041
Plus: Balance of cash and cash equivalents at the beginning of the period	10,999,335	13,309,922
VI. Closing balance of cash and cash equivalents	10,683,764	11,278,881

## 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			
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 accounts receivable	1,601,848	1,601,848	-
Including: interest	220,111	220,111	-

Items	December 31, 2019	January 01, 2020	Amount adjusted
receivable			
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	-
Other current assets	7,154,210	7,154,210	-
Total current assets	120,761,474	123,075,687	2,314,213
Non-current assets:			
Issued loans and advances			
Debt investment	10,442	10,442	-
Other debt investment			
Long-term accounts receivable	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	-

Items	December 31, 2019	January 01, 2020	Amount adjusted
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	-
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	239,169,258	2,314,213
Current liabilities:			
Short-term loan	18,954,821	18,954,821	-
Loans from the Central Bank			
Borrowing funds			
Transaction financial liabilities			
Derivative financial liabilities	400	400	-
Notes payable	26,158,849	26,158,849	-

Items	December 31, 2019	January 01, 2020	Amount adjusted
Accounts payable	44,380,475	44,380,475	-
Unearned revenue	7,157,577	1,636,295	-5,521,282
Contract liabilities	-	7,763,029	7,763,029
Financial assets sold for repurchase			
Deposits from customers and interbank			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Payroll payable	1,386,161	1,386,161	-
Taxes payable	1,713,287	2,271,611	558,324
Other payables	12,612,303	12,616,972	4,669
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	-

Items	December 31, 2019	January 01, 2020	Amount adjusted
Other current liabilities	1,079,223	819,298	-259,925
Total current liabilities	121,256,981	123,801,796	2,544,815
Non-current liabilities:			
Insurance contract reserves			
Long-term loan	7,720,895	7,720,895	-
Bonds payable	8,488,802	8,488,802	-
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables	2,440,760	2,440,760	-
Long-term payroll payable			
Estimated liabilities			
Deferred income	2,231,956	2,231,956	-
Deferred income tax liabilities	7,567,680	7,567,680	-
Other non-current liabilities	3,158	3,158	-
Total non-current liabilities	28,453,251	28,453,251	-
Total liabilities	149,710,232	152,255,047	2,544,815
Owners' equity:			
Capital stock	9,310,040	9,310,040	-
Other equity instruments			

Items	December 31, 2019	January 01, 2020	Amount adjusted
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	1,748,672	-
General risk reserve	38,699	38,699	-
Undistributed profit	41,277,886	41,047,284	-230,602
Total owners' equity attributable to the parent company	87,921,915	87,691,313	-230,602
Minority equity	-777,102	-777,102	-
Total owners' equity	87,144,813	86,914,211	-230,602
Total liability and owner's equity	236,855,045	239,169,258	2,314,213

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* (Accounting [2017] No. 22) issued by the Ministry of Finance.

### Balance sheet of 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	-

Items	December 31, 2019	January 01, 2020	Amount adjusted
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	-
Other accounts receivable	23,356,245	23,356,245	-
Including: interest receivable	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	2,275,473	-
Total current assets	197,377,350	199,418,114	2,040,764
Non-current assets:			
Debt investment	10,442	10,442	-
Other debt investment			
Long-term accounts	969,335	969,335	-

Items	December 31, 2019	January 01, 2020	Amount adjusted
receivable			
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	-
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	256,060,913	2,040,764
Current liabilities:			

Items	December 31, 2019	January 01, 2020	Amount adjusted
Short-term loan	17,968,900	17,968,900	-
Transaction financial liabilities			
Derivative financial liabilities	400	400	-
Notes payable	18,694,516	18,694,516	-
Accounts payable	84,632,541	84,632,541	-
Unearned revenue	51,780,639	51,654,002	-126,637
Contract liabilities	-	2,423,708	2,423,708
Payroll payable	135,790	135,790	-
Taxes payable	196,239	143,023	-53,216
Other payables	5,973,231	5,973,495	264
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	9,764	-
Total current liabilities	186,850,720	189,094,839	2,244,119
Non-current liabilities:			
Long-term loan	2,083,000	2,083,000	-
Bonds payable	8,488,802	8,488,802	-

Items	December 31, 2019	January 01, 2020	Amount adjusted
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables	380,000	380,000	-
Long-term payroll payable			
Deferred income	382,029	382,029	-
Deferred income tax liabilities	1,847,311	1,847,311	-
Other non-current liabilities			
Total non-current liabilities	13,181,142	13,181,142	-
Total liabilities	200,031,862	202,275,981	2,244,119
Owners' equity:			
Capital stock	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			

Items	December 31, 2019	January 01, 2020	Amount adjusted
Surplus reserve	1,748,672	1,748,672	-
General risk reserve	38,699	38,699	-
Undistributed profit	8,257,969	8,054,614	-203,355
Total owners' equity	53,988,287	53,784,932	-203,355
Total liability and owner's equity	254,020,149	256,060,913	2,040,764

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* (Accounting [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 Q1 report has been audited or not

Yes  No

Q1 report of the Company hasn't been audited.

Suning.Com Co., Ltd.

Chairman: Zhang Jindong

April 30, 2020