Nanjing Putian Telecommunications Co., Ltd.

2016 Third Quarterly Report

October 2016

Section I. Important Note

Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Nanjing Putian Telecommunications Co., Ltd. (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

All the directors are present the meeting of the Board for deliberating the Third Quarter Report of the Company in person.

Li Linzhen, person in charge of the Company, head of the accounting works Shi Lian and Gao Wen, accounting body principals (accountant in charge) hereby confirms that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.

Section II. Main accounting data and changes of shareholders

I. Main accounting data and index

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not

□Yes √ No

	Current period-end		Period-end of last year		Increase/decrease	
Total assets(RMB)	2,117,105,989.17		2,093,670,119.65		1.12%	
Net assets attributable to shareholders of listed company (RMB)	324,384,357.13		346,684,394.29		-6.43%	
	Current period	Increase/decrease in comparison with same period of last year		From year-begin to end of the Period		Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	435,072,870.40	-0.34%		1,269,812,093.87		-6.41%
Net profit attributable to shareholders of the listed company (RMB)	-1,190,941.53	89.71%		-22,300,037.16		20.88%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	-2,163,312.85	84.68%		-24,517,671.42		25.05%
Net cash flow arising from operating activities(RMB)	--	--		-102,986,761.84		13.65%
Basic earnings per share (RMB/Share)	-0.006	88.89%		-0.104		20.61%
Diluted earnings per share (RMB/Share)	-0.006	88.89%		-0.104		20.61%
Weighted average ROE	-0.37%	3.02%		-6.65%		1.40%

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-8,093.82	
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to	494,135.79	

national standards, which are closely relevant to enterprise's business)		
Other non-operating income and expenditure except for the aforementioned items	2,071,516.12	
Less: impact on income tax	231,210.63	
Impact on minority shareholders' equity (post-tax)	108,713.20	
Total	2,217,634.26	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

□ Applicable √ Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss.*

II. Statement of the total shareholders and shares-held of top ten shareholders at end of the Period

1. Number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

In Share

Total number of common shareholders at the end of report period		9,125	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)		0	
Top ten shareholders						
Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of non-tradable shares held	Number of share pledged/frozen	
					State of share	Amount
China Potevio Company Limited	State-owned corporate	53.49%	115,000,000	115,000,000		
Shen wan hongyuan securities (Hong Kong) co., LTD	Overseas corporate	3.64%	7,827,925	0		
GUOTAI JUNAN SECURITIES(H	Overseas corporate	1.70%	3,654,304	0		

ONGKONG) LIMITED						
Guosen Securities (HK) Brokerage Company Limited	Overseas corporate	1.40%	2,999,255	0		
Zhang Huaian	Domestic nature person	1.31%	2,807,000	0		
Zheng Enyue	Domestic nature person	1.12%	2,405,739	0		
BOCI SECURITIES LIMITED	Overseas corporate	1.11%	2,386,928	0		
Sun Huiming	Domestic nature person	0.93%	2,007,110	0		
Gu Jinhua	Domestic nature person	0.83%	1,783,771	0		
Chen Chujia	Domestic nature person	0.61%	1,311,906	0		

Particular about top ten shareholders with tradable shares held			
Shareholders	Amount of tradable shares held	Type of shares	
		Type	Amount
Shen wan hongyuan securities (Hong Kong) co., LTD	7,827,925	Domestically listed foreign shares	7,827,925
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	3,654,304	Domestically listed foreign shares	3,654,304
Guosen Securities (HK) Brokerage Company Limited	2,999,255	Domestically listed foreign shares	2,999,255
Zhang Huaian	2,807,000	Domestically listed foreign shares	2,807,000
Zheng Enyue	2,405,739	Domestically listed foreign shares	2,405,739
BOCI SECURITIES LIMITED	2,386,928	Domestically listed foreign	2,386,928

		shares	
Sun Huiming	2,007,110	Domestically listed foreign shares	2,007,110
Gu Jinhua	1,783,771	Domestically listed foreign shares	1,783,771
Chen Chujia	1,311,906	Domestically listed foreign shares	1,311,906
Liu Fang	1,144,225	Domestically listed foreign shares	1,144,225
Explanation on associated relationship among the top ten shareholders or consistent action	Among the top ten shareholders, China Potevio Company Limited is neither a related party nor a person acting in concert with the others. It’s unknown by the Company whether there are related parties or persons acting in concert among the other shareholders.		
Explanation on shareholders involving margin business about top ten common shareholders (if applicable)	N/A		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

□ Yes √ No

Top ten common shareholders or top ten common shareholders with un-restrict shares not held have a buy-back agreement dealing in reporting period

2. Total of shareholders with preferred stock held and the top ten shareholdings

□Applicable √Not applicable

Section III. Important events

I. Particular about major changes from items of main accounting statements and financial indexes as well as reasons

√ Applicable □Not applicable

Items	2016-9-30 (RMB)	2015-12-31 (RMB)	Changed amount (RMB)	+,- (%)	Main reasons for major changes
Monetary fund	305,924,020.75	461,959,184.34	-156,035,163.59	-33.78%	Part of the mature bank loans are paid in the period; and sales receivable declined due to the market
Notes payable	13,524,603.24	32,339,829.72	-18,815,226.48	-58.18%	Part of the bank acceptance received are matured in the Period
Account paid in advance	17,578,275.94	36,692,329.07	-19,114,053.13	-52.09%	The previous account paid in advance are reached the term of settlement
Account received in advance	48,405,289.14	73,536,868.93	-25,131,579.79	-34.18%	The account paid in advance received from clients decreased in the period
Dividend payable	2,742,213.38	7,115,513.38	-4,373,300.00	-61.46%	Balance of payable dividend declined due to the dividend distribute by subsidiary
Retained profit	-72,356,551.80	-50,056,514.64	-22,300,037.16	-44.55%	The Company losses 22.3 million Yuan in the period
Items	From Jan. to Sept. of 2016 (RMB)	From Jan. to Sept. of 2015 (RMB)	Changed amount (RMB)	+,- (%)	Main reasons for major changes
Investment income	897,964.98	1,792,386.85	-894,421.87	-49.90%	Net profit from joint-stock company decreased from a year earlier
Income tax expenses	4,867,835.35	10,743,917.46	-5,876,082.11	-54.69%	The subsidiary has a y-o-y down in profit, income tax expenses declined correspondingly
Net profit	-13,416,723.52	-20,946,838.04	7,530,114.52	35.95%	During the reporting period, although suffering slowdown of macro economy, intensified competition within the industries and drop of the sales price, and
Net profit attributable to owners' of parent company	-22,300,037.16	-28,184,553.52	5,884,516.36	20.88%	

					gains a declined in operation revenue over that of last period, the Company work hard on adjusting the industries' structure, strictly controls inventory and account receivable as well as costs, improve the profitability in main business, making up for the deficiency of negative factor, that results a declined in operation revenue from a year earlier, the deficit decreased over same period of last year
Net cash flow arising from investment activities	-4,026,846.85	-2,997,084.12	-1,029,762.73	-34.36%	The investment income from stock-jointly company decreased over that of last year
Net cash flow arising from financing activities	-22,403,170.87	33,099,874.75	-55,503,045.62	-167.68%	The bank loans due for payment increased from a year eariler
Net increase of cash and cash equivalent	-129,689,872.70	-89,458,627.72	-40,231,244.98	-44.97%	Net cash flow arising from financing activities declined on a y-o-y basis

II. Progress and influence of the main events as well as solution analysis specification

√Applicable □ Not applicable

Proposals of real estate listing transfer, the two properties locates in Beijing, were deleberated and approved by the Board dated 20 September 2016, transitory notice are be found as:

Overview	Date for disclosure	Information index for temporary report disclosure
Two Properties in Beijing are Plans to Listing Transfer	2016-09-21	Notice of Assets Sales in Juchao Website

III. Commitments that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

√Applicable □ Not applicable

Commitments	Promise	Type of commitments	Content of commitments	Commitment date	Commitment term	Implementation
Commitments for Share Merger Reform						
Commitments in report of acquisition or equity change						

Commitments in assets reorganization						
Commitments make in initial public offering or re-financing						
Equity incentive commitment						
Other commitments for medium and small shareholders	China Potevio Company Limited	Other commitments	In order to protect legal interests of every investor, China Potevio Information Industry Company Limited ("China Potevio"), as the controlling shareholder of Ningtongxin (stock code: 200468), hereby undertakes as follows: (1)as a responsible controlling shareholder, China Potevio will not reduce shareholding of the Shares of the Company in the following six months since 8 July 2015; (2)currently, Ningtongxin is in stable operation and the main business is in	2015-07-08	Commitment of not reducing: within 6 months from July 8, 2015	Commitment of not reducing had implemented

			normal operation. China Potevio will continue to promote transformation and structure adjustment of the Company through assets reorganization and optimization of resources allocation, so as to greatly improve the quality of our Company; (III) China Potevio will speed up establishment of investor return system of the Listed Company by improving its operating quality and profitability, so as to increase investor's return on a continuous basis.			
Completed on time(Y/N)	Y					
If the commitments is not fulfilled on time, shall explain the specify reason and the next work plan	Not applicable					

IV. Estimation of operation performance for year of 2016

Estimation on accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation on reason

□ Applicable √ Not applicable

V. Particular about security investment

□ Applicable √ Not applicable

The Company had no security investment in Period.

VI. Particulars about derivatives investment

□ Applicable √ Not applicable

The Company had no derivatives investment in Period.

VII. Registration form for receiving research, communication and interview in the report period

□ Applicable √ Not applicable

No registration form for receiving research, communication or interview in the Period.

VIII. Guarantee outside against the regulation

□Applicable √Not applicable

The Company had no guarantee outside against the regulation in the reporting period.

IX. Non-operational fund occupation from controlling shareholders and its related party

□ Applicable √ Not applicable

The Company had no non-operational fund occupation form controlling shareholders and its related party in the period.

Section IV. Financial Statement

I. Financial statement

1. Consolidated Balance Sheet

Prepared by Nanjing Putian Telecommunications Co., Ltd.

2016-09-30

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	305,924,020.75	461,959,184.34
Settlement provisions		
Capital lent		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes receivable	13,524,603.24	32,339,829.72
Accounts receivable	947,447,983.18	778,052,456.84
Accounts paid in advance	17,578,275.94	36,692,329.07
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		
Dividend receivable		
Other receivables	39,589,194.13	32,234,571.22
Purchase restituted finance asset		
Inventories	435,297,405.77	390,501,461.16
Divided into assets held for sale		
Non-current asset due within one year		
Other current assets	9,088,121.26	8,738,631.96
Total current assets	1,768,449,604.27	1,740,518,464.31
Non-current assets:		
Loans and payments on behalf		

Finance asset available for sales	741,953.00	741,953.00
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	186,393,833.85	185,858,240.87
Investment property	30,264,293.81	31,076,520.61
Fixed assets	75,926,519.94	79,575,268.20
Construction in progress	26,753,752.44	26,629,692.29
Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	26,607,454.66	27,199,062.05
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	1,968,577.20	2,070,918.32
Deferred income tax asset		
Other non-current asset		
Total non-current asset	348,656,384.90	353,151,655.34
Total assets	2,117,105,989.17	2,093,670,119.65
Current liabilities:		
Short-term loans	443,500,000.00	458,000,000.00
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable	83,181,550.00	110,018,641.90
Accounts payable	1,043,164,662.51	922,132,610.96
Accounts received in advance	48,405,289.14	73,536,868.93
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	17,246,288.60	17,678,666.86

Taxes payable	5,704,114.87	8,129,410.05
Interest payable	562,892.07	586,554.84
Dividend payable	2,742,213.38	7,115,513.38
Other accounts payable	34,887,470.07	42,049,885.44
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Divided into liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	1,679,394,480.64	1,639,248,152.36
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	80,118.00	80,118.00
Long-term wages payable		
Special accounts payable		
Projected liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities	331,802.74	1,525,537.98
Total non-current liabilities	411,920.74	1,605,655.98
Total liabilities	1,679,806,401.38	1,640,853,808.34
Owner's equity:		
Share capital	215,000,000.00	215,000,000.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	185,374,533.85	185,374,533.85
Less: Inventory shares		
Other comprehensive income	-4,223,184.69	-4,223,184.69

Reasonable reserve		
Surplus public reserve	589,559.77	589,559.77
Provision of general risk		
Retained profit	-72,356,551.80	-50,056,514.64
Total owner’s equity attributable to parent company	324,384,357.13	346,684,394.29
Minority interests	112,915,230.66	106,131,917.02
Total owner’s equity	437,299,587.79	452,816,311.31
Total liabilities and owner’s equity	2,117,105,989.17	2,093,670,119.65

Legal representative: Li Linzhen

Person in charger of accounting works: Shi Lian

Person in charge of accounting organ: Gao Wen

2. Balance Sheet of Parent Company

In RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	122,220,180.23	211,695,287.97
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes receivable	200,000.00	5,662,078.50
Accounts receivable	548,919,791.93	425,991,743.86
Account paid in advance	9,651,596.84	18,699,725.04
Interest receivable		
Dividends receivable	1,400,000.00	
Other receivables	45,805,272.44	38,064,365.03
Inventories	217,286,350.60	205,855,446.34
Divided into assets held for sale		
Non-current assets maturing within one year		
Other current assets	2,413.04	2,413.04
Total current assets	945,485,605.08	905,971,059.78

Non-current assets:		
Available-for-sale financial assets	741,953.00	741,953.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	355,660,178.99	355,124,586.01
Investment property		
Fixed assets	23,553,895.01	23,878,833.23
Construction in progress	26,653,752.44	26,529,692.29
Project materials		
Disposal of fixed assets		
Productive biological assets		
Oil and natural gas assets		
Intangible assets	7,819,508.90	8,254,244.95
Research and development costs		
Goodwill		
Long-term deferred expenses	1,745,849.59	1,671,454.32
Deferred income tax assets		
Other non-current assets		
Total non-current assets	416,175,137.93	416,200,763.80
Total assets	1,361,660,743.01	1,322,171,823.58
Current liabilities:		
Short-term borrowings	320,000,000.00	346,000,000.00
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable	81,181,550.00	94,018,641.90
Accounts payable	600,341,200.97	491,366,632.18
Accounts received in advance	18,466,080.28	22,674,489.02
Wage payable	6,440,427.68	6,333,680.57
Taxes payable	1,908,134.59	1,360,211.09
Interest payable	208,892.07	410,251.36
Dividend payable		
Other accounts payable	181,397,578.26	173,240,989.14

Divided into liability held for sale		
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	1,209,943,863.85	1,135,404,895.26
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	80,118.00	80,118.00
Long-term wages payable		
Special accounts payable		
Projected liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities	331,802.74	1,525,537.98
Total non-current liabilities	411,920.74	1,605,655.98
Total liabilities	1,210,355,784.59	1,137,010,551.24
Owners' equity:		
Share capita	215,000,000.00	215,000,000.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	172,417,299.81	172,417,299.81
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	589,559.76	589,559.76
Retained profit	-236,701,901.15	-202,845,587.23
Total owner's equity	151,304,958.42	185,161,272.34
Total liabilities and owner's equity	1,361,660,743.01	1,322,171,823.58

3. Consolidated Profit Statement (in the period)

In RMB

Item	Current Period	Last Period
I. Total operating income	435,072,870.40	436,542,450.41
Including: Operating income	435,072,870.40	436,542,450.41
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	432,534,584.00	444,873,824.27
Including: Operating cost	352,484,417.11	355,116,290.56
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	2,081,612.48	2,120,716.20
Sales expenses	37,744,931.15	40,616,156.28
Administration expenses	36,079,862.84	36,536,996.13
Financial expenses	4,919,856.34	9,834,595.77
Losses of devaluation of asset	-776,095.92	649,069.33
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	-19,879.13	144,223.81
Including: Investment income on affiliated company and joint venture	-19,879.13	144,223.81
Exchange income (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	2,518,407.27	-8,187,150.05
Add: Non-operating income	3,519,369.31	3,317,199.03
Including: Disposal gains of		152,060.37

non-current asset		
Less: Non-operating expense	610,103.56	90,467.34
Including: Disposal loss of non-current asset	1,815.93	-11,549.70
IV. Total Profit (Loss is listed with “-”)	5,427,673.02	-4,960,418.36
Less: Income tax expense	1,632,032.03	2,328,416.39
V. Net profit (Net loss is listed with “-”)	3,795,640.99	-7,288,834.75
Net profit attributable to owner’s of parent company	-1,190,941.53	-11,570,789.59
Minority shareholders’ gains and losses	4,986,582.52	4,281,954.84
VI. Net after-tax of other comprehensive income	241,817.20	-5,538.07
Net after-tax of other comprehensive income attributable to owners of parent company	217,635.48	-5,538.07
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	217,635.48	-5,538.07
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising		

from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements	217,635.48	-5,538.07
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders	24,181.72	
VII. Total comprehensive income	4,037,458.19	-7,294,372.82
Total comprehensive income attributable to owners of parent Company	-973,306.05	-11,576,327.66
Total comprehensive income attributable to minority shareholders	5,010,764.24	4,281,954.84
VIII. Earnings per share:		
(i) Basic earnings per share	-0.006	-0.054
(ii) Diluted earnings per share	-0.006	-0.054

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

Legal representative: Li Linzhen

Person in charger of accounting works: Shi Lian

Person in charge of accounting organ: Gao Wen

4. Profit Statement of Parent Company (in the period)

In RMB

Item	Current Period	Last Period
I. Operating income	164,193,494.68	193,268,015.62
Less: Operating cost	140,575,895.10	168,419,747.34
Operating tax and extras	882,733.30	771,640.37
Sales expenses	14,711,312.58	18,649,928.32
Administration expenses	12,799,147.62	14,941,979.44

Financial expenses	3,794,507.93	8,759,340.30
Losses of devaluation of asset	-508,260.53	-568,586.30
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")	1,537,115.45	2,894,223.81
Including: Investment income on affiliated company and joint venture	137,115.45	144,223.81
II. Operating profit (Loss is listed with "-")	-6,524,725.87	-14,811,810.04
Add: Non-operating income	2,225,817.40	1,518,713.98
Including: Disposal gains of non-current asset		
Less: Non-operating expense	114,496.00	19,035.53
Including: Disposal loss of non-current asset	18,528.53	-20,395.52
III. Total Profit (Loss is listed with "-")	-4,413,404.47	-13,312,131.59
Less: Income tax expense		
IV. Net profit (Net loss is listed with "-")	-4,413,404.47	-13,312,131.59
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method		

which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	-4,413,404.47	-13,312,131.59
VII. Earnings per share:		
(i) Basic earnings per share	-0.021	-0.062
(ii) Diluted earnings per share	-0.021	-0.062

5. Consolidated Profit Statement (from year-begin to period-end)

In RMB

Item	Current Period	Last Period
I. Total operating income	1,269,812,093.87	1,356,833,782.02
Including: Operating income	1,269,812,093.87	1,356,833,782.02
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	1,285,951,466.48	1,375,046,149.26
Including: Operating cost	1,038,658,066.13	1,114,322,130.46
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of		

compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	6,469,345.77	7,132,863.16
Sales expenses	118,219,649.63	125,990,468.28
Administration expenses	105,592,974.94	105,344,163.83
Financial expenses	16,167,799.30	21,085,116.51
Losses of devaluation of asset	843,630.71	1,171,407.02
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	897,964.98	1,792,386.85
Including: Investment income on affiliated company and joint venture	897,964.98	1,792,386.85
Exchange income (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	-15,241,407.63	-16,419,980.39
Add: Non-operating income	7,384,026.58	6,384,807.54
Including: Disposal gains of non-current asset		152,970.87
Less: Non-operating expense	691,507.12	167,747.73
Including: Disposal loss of non-current asset	18,528.53	33,158.33
IV. Total Profit (Loss is listed with “-”)	-8,548,888.17	-10,202,920.58
Less: Income tax expense	4,867,835.35	10,743,917.46
V. Net profit (Net loss is listed with “-”)	-13,416,723.52	-20,946,838.04
Net profit attributable to owner’s of parent company	-22,300,037.16	-28,184,553.52
Minority shareholders’ gains and losses	8,883,313.64	7,237,715.48
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive		

income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	-13,416,723.52	-20,946,838.04
Total comprehensive income attributable to owners of parent Company	-22,300,037.16	-28,184,553.52

Total comprehensive income attributable to minority shareholders	8,883,313.64	7,237,715.48
VIII. Earnings per share:		
(i) Basic earnings per share	-0.104	-0.131
(ii) Diluted earnings per share	-0.104	-0.131

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

6. Profit Statement of Parent Company (from year-begin to period-end)

In RMB

Item	Current Period	Last Period
I. Operating income	513,419,093.92	590,176,268.19
Less: Operating cost	443,944,172.00	520,527,273.00
Operating tax and extras	2,822,076.55	2,145,579.54
Sales expenses	52,303,377.62	56,840,106.44
Administration expenses	40,299,680.39	42,357,401.42
Financial expenses	12,572,837.29	18,676,820.06
Losses of devaluation of asset	843,630.71	489,527.19
Add: Changing income of fair value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	2,297,964.98	4,539,677.24
Including: Investment income on affiliated company and joint venture	897,964.98	1,789,677.24
II. Operating profit (Loss is listed with “-”)	-37,068,715.66	-46,320,762.22
Add: Non-operating income	3,379,222.23	2,468,953.81
Including: Disposal gains of non-current asset		
Less: Non-operating expense	166,820.49	40,008.51
Including: Disposal loss of non-current asset	18,528.53	
III. Total Profit (Loss is listed with “-”)	-33,856,313.92	-43,891,816.92
Less: Income tax expense		
IV. Net profit (Net loss is listed with	-33,856,313.92	-43,891,816.92

“-”)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	-33,856,313.92	-43,891,816.92
VII. Earnings per share:		
(i) Basic earnings per share	-0.157	-0.204
(ii) Diluted earnings per share	-0.157	-0.204

7. Consolidated Cash Flow Statement (from year-begin to period-end)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	2,054,659,482.31	2,123,586,775.54
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received	3,952,028.24	3,485,391.87
Other cash received concerning operating activities	20,679,937.34	24,742,715.59
Subtotal of cash inflow arising from operating activities	2,079,291,447.89	2,151,814,883.00
Cash paid for purchasing commodities and receiving labor service	1,789,784,524.83	1,854,288,138.74
Net increase of customer loans and advances		

Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	184,236,200.80	181,297,466.53
Taxes paid	63,433,633.88	78,273,249.13
Other cash paid concerning operating activities	144,823,850.22	157,534,719.42
Subtotal of cash outflow arising from operating activities	2,182,278,209.73	2,271,393,573.82
Net cash flows arising from operating activities	-102,986,761.84	-119,578,690.82
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	362,372.00	1,307,768.00
Net cash received from disposal of fixed, intangible and other long-term assets	150,975.40	167,132.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	513,347.40	1,474,900.00
Cash paid for purchasing fixed, intangible and other long-term assets	4,540,194.25	4,471,984.12
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning		

investing activities		
Subtotal of cash outflow from investing activities	4,540,194.25	4,471,984.12
Net cash flows arising from investing activities	-4,026,846.85	-2,997,084.12
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	462,500,000.00	416,000,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	462,500,000.00	416,000,000.00
Cash paid for settling debts	461,000,000.00	356,000,000.00
Cash paid for dividend and profit distributing or interest paying	23,903,170.87	26,900,125.25
Including: Dividend and profit of minority shareholder paid by subsidiaries	6,473,300.00	3,203,832.01
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	484,903,170.87	382,900,125.25
Net cash flows arising from financing activities	-22,403,170.87	33,099,874.75
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-273,093.14	17,272.47
V. Net increase of cash and cash equivalents	-129,689,872.70	-89,458,627.72
Add: Balance of cash and cash equivalents at the period -begin	405,920,943.68	375,372,939.94
VI. Balance of cash and cash equivalents at the period -end	276,231,070.98	285,914,312.22

8. Cash Flow Statement of Parent Company (from year-begin to period-end)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	1,120,375,330.59	1,098,884,233.90
Write-back of tax received	239,819.41	
Other cash received concerning operating activities	16,170,507.07	19,496,010.73
Subtotal of cash inflow arising from operating activities	1,136,785,657.07	1,118,380,244.63
Cash paid for purchasing commodities and receiving labor service	1,025,707,840.33	979,138,370.27
Cash paid to/for staff and workers	71,081,823.57	72,116,851.18
Taxes paid	18,232,296.21	18,403,858.11
Other cash paid concerning operating activities	92,804,570.89	101,918,280.43
Subtotal of cash outflow arising from operating activities	1,207,826,531.00	1,171,577,359.99
Net cash flows arising from operating activities	-71,040,873.93	-53,197,115.36
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	362,372.00	2,057,768.00
Net cash received from disposal of fixed, intangible and other long-term assets	2,000.00	6,132.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing	364,372.00	2,063,900.00

activities		
Cash paid for purchasing fixed, intangible and other long-term assets	3,843,918.52	3,746,375.68
Cash paid for investment		
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	3,843,918.52	3,746,375.68
Net cash flows arising from investing activities	-3,479,546.52	-1,682,475.68
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	346,000,000.00	326,000,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	346,000,000.00	326,000,000.00
Cash paid for settling debts	356,000,000.00	306,000,000.00
Cash paid for dividend and profit distributing or interest paying	12,990,422.11	19,412,111.57
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	368,990,422.11	325,412,111.57
Net cash flows arising from financing activities	-22,990,422.11	587,888.43
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	68,383.33	17,278.00
V. Net increase of cash and cash equivalents	-97,442,459.23	-54,274,424.61
Add: Balance of cash and cash equivalents at the period -begin	192,969,689.69	184,370,348.86

VI. Balance of cash and cash equivalents at the period -end	95,527,230.46	130,095,924.25

II. Audit report

Whether the 1st quarterly report has been audited or not

□Yes √ No

The 1st quarterly report of the Company has not been audited

Board of Directors of

Nanjing Putian Telecommunications Co., Ltd.

29 October 2016