Nanjing Putian Telecommunications Co., Ltd.

First Quarterly Report 2020

April 2020

Section I. Important Notice

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

All Directors are attended the Board Meeting for Quarterly Report deliberation.

Wang Wenkui, Principal of the Company, Wang Huilin, person in charger of accounting works and Wang Huilin, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.

Section II. Company Profile

I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

□ Yes √No

	At the reporting period	At the same period of last year	Changes of this period over same period of last year
Operating income (RMB)	151,862,432.34	489,849,942.04	-69.00%
Net profit attributable to shareholders of the listed company (RMB)	-30,609,179.61	-36,835,612.35	16.90%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-33,044,537.66	-37,608,907.37	12.14%
Net cash flow arising from operating activities (RMB)	-19,005,983.54	-196,430,725.42	90.32%
Basic earnings per share (RMB/Share)	-0.142	-0.171	16.96%
Diluted earnings per share (RMB/Share)	-0.142	-0.171	16.96%
Weighted average ROE	-19.85%	-10.93%	-8.92%
	At the end of the reporting period	At the end of last year	Changes of this period-end over same period-end of last year
Total assets (RMB)	1,470,115,890.58	1,652,005,519.44	-11.01%
Net assets attributable to shareholder of listed company (RMB)	138,933,926.82	169,543,106.29	-18.05%

Items of non-recurring gains and losses

√ Applicable □ Not applicable

In RMB

Item	Amount from year-begin to period-end	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	269.01	
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise’s business)	2,512,520.65	
Other non-operating income and expenditure except for the aforementioned items	1,177.59	

Less: impact on income tax	24,967.25	
Impact on minority shareholders' equity (post-tax)	53,641.95	
Total	2,435,358.05	--

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. Total number of shareholders at the end of this report period and top ten shareholders

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

In shares

Total number of common shareholders at the end of report period		8,861	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)		0	
Top ten shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
China Potevio Company Limited	State-owned corporation	53.49%	115,000,000	115,000,000		
Shenwan HongYuan (H.K.) Limited	Foreign corporation	2.63%	5,646,500	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	2.53%	5,437,114	0		
Zheng Enyue	Domestic nature person	1.14%	2,449,739	0		
Sun Huiming	Domestic nature person	0.93%	2,007,110	0		
Guosen Securities (H.K.) Broker	Foreign	0.88%	1,901,882	0		

Co., Ltd.	corporation					
Gu Jinhua	Domestic nature person	0.87%	1,871,371	0		
BOCI SECURITIES LIMITED	Foreign corporation	0.68%	1,466,945	0		
Xiang Yan	Domestic nature person	0.42%	910,602	0		
Zhen Hongquan	Domestic nature person	0.39%	849,200	0		

The top ten circulation shareholders shareholdings			
Shareholder's name	Amount of listed circulation shares held	Type of shares	
		Type	Amount
Shenwan HongYuan (H.K.) Limited	5,646,500	Domestically listed foreign shares	5,646,500
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	5,437,114	Domestically listed foreign shares	5,437,114
Zheng Enyue	2,449,739	Domestically listed foreign shares	2,449,739
Sun Huiming	2,007,110	Domestically listed foreign shares	2,007,110
Guosen Securities (H.K.) Broker Co., Ltd.	1,901,882	Domestically listed foreign shares	1,901,882
Gu Jinhua	1,871,371	Domestically listed foreign shares	1,871,371
BOCI SECURITIES LIMITED	1,466,945	Domestically listed foreign shares	1,466,945
Xiang Yan	910,602	Domestically listed foreign shares	910,602
Zhen Hongquan	849,200	Domestically listed foreign	849,200

		shares	
Liang Wei	772,800	Domestically listed foreign shares	772,800
Note of related relationship among the above shareholders and concerted actors	Among the top ten shareholders, China Potevio 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 top ten common shareholders involving margin business (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

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

2. Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

□ Applicable √ Not applicable

Section III. Significant Events

I. Particulars about material changes in items of main accounting statement and financial index and explanations of reasons

√ Applicable □ Not applicable

Item	2020-3-31	2019-12-31	Amount of changes (RMB)	Changes ratio (%)	Reasons of great changes
Monetary fund	168,872,182.56	261,270,033.28	-92,397,850.72	-35.36%	1.Sales decreased due to the COVID-19 occurred in the period; 2.Some of the bank borrowing are return to the Bank on maturity, monetary fund decreased at end of the period
Note receivable	22,764,163.77	59,653,053.58	-36,888,889.81	-61.84%	The acceptance bill received by the Company is due to acceptance
Receivable financing	5,103,000.00	3,821,550.77	1,281,449.23	33.53%	Balance of bank acceptance bill at period-end is decreased over that of period-beginning
Other current assets	15,353,145.48	11,610,245.99	3,742,899.49	32.24%	The VAT deferred input tax reduced
Taxes payable	744,776.75	4,125,566.60	-3,380,789.85	-81.95%	Sale revenue declined in the period while taxes payable decreased correspondingly
Item	Jan.- Mar. 2020	Jan.- Mar. 2019	Amount of changes (RMB)	Changes ratio (%)	Reasons of great changes
Operation revenue	151,862,432.34	489,849,942.04	-337,987,509.70	-69.00%	During the reporting period, affected by the COVID-19 epidemic, the Company and upstream and downstream enterprises generally delayed resumption of work, the logistics was hindered, business development was affected to a certain extent. Operation revenue of the Company decreased in the period
Operation cost	121,884,114.71	424,463,581.13	-302,579,466.42	-71.29%	Sales revenue declined from a year earlier in the period and the

					operation costs decreased accordingly
Taxes and surcharge	1,298,779.64	2,324,283.68	-1,025,504.04	-44.12%	Sales revenue declined from a year earlier in the period and the taxes decreased accordingly
Sales expenses	29,309,025.78	47,144,151.90	-17,835,126.12	-37.83%	1.Sales revenue declined from a year earlier in the period and the sales expenses decreased accordingly; 2.the Company emphasize the control of costs expenses during the reporting period
Management expenses	14,492,379.95	28,850,220.23	-14,357,840.28	-49.77%	The Company strengthened internal management and strive to reduce the management cost in the period
R&D expenses	12,926,905.38	21,346,015.89	-8,419,110.51	-39.44%	During the reporting period, due to the COVID-19 epidemic, the resumption of work was delayed and the R&D expenses were correspondingly reduced.
Financial expenses	6,900,334.12	4,736,138.21	2,164,195.91	45.70%	Expenses from financing increased from a year earlier
Other income	3,534,427.01	2,711,267.75	823,159.26	30.36%	Income from government subsidy increased on a y-o-y basis in the period
Subtotal of cash out-flow from operation activity	288,548,375.57	517,900,230.73	-229,351,855.16	-44.28%	1.In reporting period, affected by COVID-19 epidemic and internal industrial structure adjustment in the Company, the account and taxes paid for purchasing decreased from a year earlier.2.the Company strengthening the cost expenses control in the period
Net cash flow from operation activities	-19,005,983.54	-196,430,725.42	177,424,741.88	90.32%	1.In reporting period, affected by COVID-19 epidemic and internal industrial structure adjustment in the Company, the account and taxes paid for purchasing decreased from a year earlier.2.the Company strengthening the cost

					expenses control in the period
Subtotal of cash inflow from investment activity	800.00	1,219,362.97	-1,218,562.97	-99.93%	Cash received from investment recovery last year was higher than the current period
Subtotal of cash inflow from financing activity	60,000,000.00	178,019,010.00	-118,019,010.00	-66.30%	Borrowings in the period was less than that of last year
Net cash flow from financing activities	-64,823,986.06	51,178,108.43	-116,002,094.49	-226.66%	During the reporting period, the amount borrowed is less than the amount repaid, the net cash in-flow from financing activities is negative.
Net increase in cash and cash equivalents	-87,374,861.17	-148,489,524.14	61,114,662.97	41.16%	The cash flow from operating activities during the period increased compared with the same period last year.

II. Analysis and explanation of significant events and their influence and solutions

√Applicable □ Not applicable

During the reporting period, being deliberated and approved by the Board, the Company plans to listing for the transfer of two properties, found more in relevant interim announcement.

Overview	Disclosure date	Index of the website for interim report disclosed
the Company plans to listing for the transfer of two properties	2020-01-18	Notice on Listing for the Transfer of Assets on Juchao Website (www.cninfo.com.cn)
	2020-03-10	Progress on Listing for the Transfer of Assets on Juchao Website (www.cninfo.com.cn)

Implementation progress of shares buy-back

□ Applicable √ Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

□ Applicable √ Not applicable

III. Commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies

□ Applicable √ Not applicable

The Company has no commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies.

IV. Securities Investment

□ Applicable √ Not applicable

No security investment in Period.

V. Trust financing

□ Applicable √ Not applicable

No trust financing in the Period.

VI. Derivative investment

□ Applicable √ Not applicable

No derivative investment in the Period.

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

□ Applicable √ Not applicable

No receiving research, communication and interview in the period

VIII. External security against the rules

□ Applicable √ Not applicable

The Company has no external security against the rules in the Period

IX. Controlling shareholders' and its related party's non-business capital occupying of the listed company

□ Applicable √ Not applicable

There are no controlling shareholders' and its related party's non-business capital occupying of the listed company.

IV. Financial statement

I. Financial statement

1. Consolidated balance sheet

Prepared by Nanjing Putian Telecommunications Co., Ltd.

In RMB

Items	2020-3-31	2019-12-31
Current assets:		
Monetary fund	168,872,182.56	261,270,033.28
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable	22,764,163.77	59,653,053.58
Accounts receivable	609,823,966.99	697,656,063.96
Account financing	5,103,000.00	3,821,550.77
Account paid in advance	34,677,398.27	33,759,523.09
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	28,908,019.00	28,110,390.53
Including: Interest receivable		
Dividends receivable		
Buying back the sale of financial assets		
Inventories	236,230,265.87	209,397,286.17
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	15,353,145.48	11,610,245.99
Total current assets	1,121,732,141.94	1,305,278,147.37

Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	181,762,383.50	181,762,383.50
Investment in other equity instrument	741,953.00	741,953.00
Other non-current financial assets		
Investment real estate	7,713,541.16	7,810,210.00
Fixed assets	109,624,053.12	110,722,102.52
Construction in progress	16,379,695.15	13,048,701.59
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	28,105,956.50	28,381,246.28
Research and development costs		
Goodwill		
Long-term deferred expenses	4,056,166.21	4,260,775.18
Deferred income tax assets		
Other non-current assets		
Total non-current assets	348,383,748.64	346,727,372.07
Total assets	1,470,115,890.58	1,652,005,519.44
Current liabilities:		
Short-term borrowings	437,000,000.00	451,915,948.50
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Notes payable	68,935,910.91	81,784,929.91
Account payable	585,580,175.45	679,428,580.08
Accounts received in advance		22,148,080.67
Contractual liability	16,570,046.21	
Selling financial asset of repurchase		

Absorbing deposit and interbank deposits		
Agent buying and selling securities		
Acting underwriting securities		
Wage payable	21,448,396.22	21,602,707.70
Taxes payable	744,776.75	4,125,566.60
Other accounts payable	44,039,845.16	61,246,678.81
Including: Interest payable		
Dividend payable	1,692,213.38	12,538,813.38
Handling fees and commissions payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	10,820,807.35	10,820,807.35
Other current liabilities		
Total current liabilities	1,185,139,958.05	1,333,073,299.62
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	10,195,626.09	12,827,205.03
Long term employee compensation payable		
Accrued liabilities		
Deferred income	6,004,873.00	6,004,873.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	16,200,499.09	18,832,078.03
Total liabilities	1,201,340,457.14	1,351,905,377.65
Owners' 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	-6,776,124.71	-6,776,124.85
Special reserve		
Surplus reserve	589,559.77	589,559.77
Provision of general risk		
Retained profit	-255,254,042.09	-224,644,862.48
Total owner's equity attributable to parent Company	138,933,926.82	169,543,106.29
Minority interests	129,841,506.62	130,557,035.50
Total owner's equity	268,775,433.44	300,100,141.79
Total liabilities and owner's equity	1,470,115,890.58	1,652,005,519.44

Legal Representative: Wang Wenkui Person in charge of accounting works: Wang Huailin Person in charge of accounting institute: Wang Huailin

2. Balance Sheet of Parent Company

In RMB

Items	2020-3-31	2019-12-31
Current assets:		
Monetary fund	85,689,194.00	75,513,546.51
Trading financial assets		
Derivative financial assets		
Note receivable	358,032.64	2,180,607.60
Accounts receivable	306,727,820.70	415,997,318.07
Account financing	3,003,000.00	2,307,438.00
Account paid in advance	5,672,805.51	13,234,147.98
Other account receivable	22,022,564.66	26,761,817.07
Including: Interest receivable		
Dividends receivable		

Inventories	86,641,695.84	73,809,627.64
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	2,415,393.55	2,778,241.54
Total current assets	512,530,506.90	612,582,744.41
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	333,070,134.14	333,070,134.14
Investment in other equity instrument	741,953.00	741,953.00
Other non-current financial assets		
Investment real estate		
Fixed assets	51,825,553.46	52,382,989.60
Construction in progress	66,019.42	
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	11,382,158.01	11,557,138.68
Research and development costs		
Goodwill		
Long-term deferred expenses	2,995,149.25	3,129,023.74
Deferred income tax assets		
Other non-current assets		
Total non-current assets	400,080,967.28	400,881,239.16
Total assets	912,611,474.18	1,013,463,983.57
Current liabilities：		
Short-term borrowings	357,000,000.00	371,812,627.72
Trading financial liability		
Derivative financial liability		
Notes payable	68,935,910.91	81,784,929.91
Account payable	243,697,587.36	274,182,241.12

Accounts received in advance		7,517,427.53
Contractual liability	3,980,741.18	
Wage payable	8,036,905.12	8,135,211.34
Taxes payable	40,860.17	199,408.61
Other accounts payable	170,947,012.47	213,090,147.71
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year	10,820,807.35	10,820,807.35
Other current liabilities		
Total current liabilities	863,459,824.56	967,542,801.29
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	10,195,626.09	12,827,205.03
Long term employee compensation payable		
Accrued liabilities		
Deferred income	1,000,000.00	1,000,000.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	11,195,626.09	13,827,205.03
Total liabilities	874,655,450.65	981,370,006.32
Owners' equity:		
Share capital	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	-1,854,910.00	-1,854,910.00
Special reserve		
Surplus reserve	589,559.76	589,559.76
Retained profit	-348,195,926.04	-354,057,972.32
Total owner's equity	37,956,023.53	32,093,977.25
Total liabilities and owner's equity	912,611,474.18	1,013,463,983.57

3. Consolidated Profit Statement

In RMB

Items	Current Period	Last Period
I. Total operating income	151,862,432.34	489,849,942.04
Including: Operating income	151,862,432.34	489,849,942.04
Interest income		
Insurance gained		
Handling fees and commissions income		
II. Total operating cost	186,811,539.58	528,864,391.04
Including: Operating cost	121,884,114.71	424,463,581.13
Interest expense		
Handling fees and commissions expenses		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Taxes and surcharge	1,298,779.64	2,324,283.68
Sales expenses	29,309,025.78	47,144,151.90
Administration expenses	14,492,379.95	28,850,220.23
R&D expenses	12,926,905.38	21,346,015.89
Financial expenses	6,900,334.12	4,736,138.21

Including: interest expenses	6,719,699.51	5,795,461.12
Interest income	241,086.66	2,105,888.55
Add: other income	3,534,427.01	2,711,267.75
Investment income (Loss is listed with “-”)		-706,666.36
Including: Investment income on affiliated Company and joint venture		-706,666.36
Income from recognition termination of the financial assets measured at amortized cost		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value(Loss is listed with “-”)		
Credit impairment loss (Loss is listed with “-”)		
Assets impairment loss (Loss is listed with “-”)	75,263.91	10,000.00
Assets disposal loss (Loss is listed with “-”)	269.01	
III. Operating profit (Loss is listed with “-”)	-31,339,147.31	-36,999,847.61
Add: Non-operating income	96,000.00	520,245.99
Less: Non-operating expense	6,532.41	153,627.60
IV. Total Profit (Loss is listed with “-”)	-31,249,679.72	-36,633,229.22
Less: Income tax	75,028.76	394,590.73
V. Net profit (Net loss is listed with “-”)	-31,324,708.48	-37,027,819.95
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	-31,324,708.48	-37,027,819.95
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	-30,609,179.61	-36,835,612.35

2.Minority shareholders' gains and losses	-715,528.87	-192,207.60
VI. Net after-tax of other comprehensive income	0.15	-55.78
Net after-tax of other comprehensive income attributable to owners of parent company	0.14	-50.20
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	0.14	-50.20
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements	0.14	-50.20
7.Other		
Net after-tax of other comprehensive	0.01	-5.58

income attributable to minority shareholders		
VII. Total comprehensive income	-31,324,708.33	-37,027,875.73
Total comprehensive income attributable to owners of parent Company	-30,609,179.47	-36,835,662.55
Total comprehensive income attributable to minority shareholders	-715,528.86	-192,213.18
VIII. Earnings per share:		
(i) Basic earnings per share	-0.142	-0.171
(ii) Diluted earnings per share	-0.142	-0.171

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: Wang Wenkui Person in charge of accounting works: Wang Huailin Person in charge of accounting institute: Wang Huailin

4. Profit Statement of Parent Company

In RMB

Items	Current Period	Last Period
I. Operating income	21,803,267.77	263,755,124.95
Less: Operating cost	22,054,362.07	254,695,509.83
Taxes and surcharge	234,477.91	951,773.87
Sales expenses	9,990,064.44	16,738,670.15
Administration expenses	5,816,804.15	15,026,067.94
R&D expenses	2,052,466.20	4,382,066.04
Financial expenses	6,125,078.71	5,312,840.93
Including: interest expenses	5,885,491.91	4,752,280.36
Interest income	145,758.67	354,711.22
Add: other income	1,226,520.65	250,000.00
Investment income (Loss is listed with "-")	29,100,000.00	-706,666.36
Including: Investment income on affiliated Company and joint venture		-706,666.36
Income from recognition termination of the financial assets measured at amortized cost (Loss is listed with "-")		

Net exposure hedging income (Loss is listed with "-")		
Changing income of fair value(Loss is listed with "-")		
Credit impairment loss (Loss is listed with "-")		
Assets impairment loss (Loss is listed with "-")	7,043.75	
Assets disposal loss (Loss is listed with "-")		
II. Operating profit (Loss is listed with "-")	5,863,578.69	-33,808,470.17
Add: Non-operating income	5,000.00	45.99
Less: Non-operating expense	6,532.41	152,845.00
III. Total Profit (Loss is listed with "-")	5,862,046.28	-33,961,269.18
Less: Income tax		
IV. Net profit (Net loss is listed with "-")	5,862,046.28	-33,961,269.18
(i)continuous operating net profit (net loss listed with '-")	5,862,046.28	-33,961,269.18
(ii) termination of net profit (net loss listed with '-")		
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 of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income		

items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	5,862,046.28	-33,961,269.18
VII. Earnings per share:		
(i) Basic earnings per share		
(ii) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB

Items	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	252,361,206.16	313,723,579.91
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		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	1,358,428.48	2,892,557.39
Other cash received concerning operating activities	15,822,757.39	4,853,368.01
Subtotal of cash inflow arising from operating activities	269,542,392.03	321,469,505.31
Cash paid for purchasing commodities and receiving labor service	200,816,653.87	374,841,060.36
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	48,691,757.30	74,078,941.30
Taxes paid	11,886,058.24	26,654,048.04
Other cash paid concerning operating activities	27,153,906.16	42,326,181.03
Subtotal of cash outflow arising from operating activities	288,548,375.57	517,900,230.73
Net cash flows arising from operating	-19,005,983.54	-196,430,725.42

activities		
II. Cash flows arising from investing activities:		
Cash received from recovering investment		1,183,862.97
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets	800.00	35,500.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	800.00	1,219,362.97
Cash paid for purchasing fixed, intangible and other long-term assets	3,666,668.11	4,473,734.28
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	3,666,668.11	4,473,734.28
Net cash flows arising from investing activities	-3,665,868.11	-3,254,371.31
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	60,000,000.00	178,019,010.00
Other cash received concerning financing activities		

Subtotal of cash inflow from financing activities	60,000,000.00	178,019,010.00
Cash paid for settling debts	109,180,771.46	119,343,333.33
Cash paid for dividend and profit distributing or interest paying	15,519,247.38	7,480,105.03
Including: Dividend and profit of minority shareholder paid by subsidiaries	10,846,600.00	
Other cash paid concerning financing activities	123,967.22	17,463.21
Subtotal of cash outflow from financing activities	124,823,986.06	126,840,901.57
Net cash flows arising from financing activities	-64,823,986.06	51,178,108.43
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	120,976.54	17,464.16
V. Net increase of cash and cash equivalents	-87,374,861.17	-148,489,524.14
Add: Balance of cash and cash equivalents at the period -begin	208,783,866.60	201,369,317.42
VI. Balance of cash and cash equivalents at the period -end	121,409,005.43	52,879,793.28

6. Cash Flow Statement of Parent Company

In RMB

Items	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	114,563,187.22	83,002,514.25
Write-back of tax received		
Other cash received concerning operating activities	25,418,803.04	36,269,939.44
Subtotal of cash inflow arising from operating activities	139,981,990.26	119,272,453.69
Cash paid for purchasing	33,854,921.52	94,788,460.75

commodities and receiving labor service		
Cash paid to/for staff and workers	19,081,655.33	31,024,038.81
Taxes paid	467,518.05	12,162,282.33
Other cash paid concerning operating activities	45,743,659.74	31,399,200.27
Subtotal of cash outflow arising from operating activities	99,147,754.64	169,373,982.16
Net cash flows arising from operating activities	40,834,235.62	-50,101,528.47
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	29,100,000.00	400,000.00
Net cash received from disposal of fixed, intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	29,100,000.00	400,000.00
Cash paid for purchasing fixed, intangible and other long-term assets		285,426.21
Cash paid for investment		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities		285,426.21
Net cash flows arising from investing activities	29,100,000.00	114,573.79
III. Cash flows arising from financing activities		

Cash received from absorbing investment		
Cash received from loans	20,000,000.00	128,019,010.00
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	20,000,000.00	128,019,010.00
Cash paid for settling debts	69,180,771.46	79,333,333.33
Cash paid for dividend and profit distributing or interest paying	5,148,927.11	6,378,775.85
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	74,329,698.57	85,712,109.18
Net cash flows arising from financing activities	-54,329,698.57	42,306,900.82
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	15,604,537.05	-7,680,053.86
Add: Balance of cash and cash equivalents at the period -begin	25,794,743.17	23,812,669.19
VI. Balance of cash and cash equivalents at the period -end	41,399,280.22	16,132,615.33

II. Explanation on financial statement adjustment

1. Financial statement adjustment at the beginning of the first year since 2020 when implementation of new financial instrument rules, new revenue rules and new leasing rules

√ Applicable □Not applicable

Consolidate balance sheet

In RMB

Items	2019-12-31	2020-01-01	Adjustment
Current assets:			
Monetary fund	261,270,033.28	261,270,033.28	
Note receivable	59,653,053.58	59,653,053.58	
Accounts receivable	697,656,063.96	697,656,063.96	

Account financing	3,821,550.77	3,821,550.77	
Account paid in advance	33,759,523.09	33,759,523.09	
Other account receivable	28,110,390.53	28,110,390.53	
Inventories	209,397,286.17	209,397,286.17	
Other current assets	11,610,245.99	11,610,245.99	
Total current assets	1,305,278,147.37	1,305,278,147.37	
Non-current assets:			
Long-term equity investments	181,762,383.50	181,762,383.50	
Investment in other equity instrument	741,953.00	741,953.00	
Investment real estate	7,810,210.00	7,810,210.00	
Fixed assets	110,722,102.52	110,722,102.52	
Construction in progress	13,048,701.59	13,048,701.59	
Intangible assets	28,381,246.28	28,381,246.28	
Long-term deferred expenses	4,260,775.18	4,260,775.18	
Total non-current assets	346,727,372.07	346,727,372.07	
Total assets	1,652,005,519.44	1,652,005,519.44	
Current liabilities：			
Short-term borrowings	451,915,948.50	451,915,948.50	
Notes payable	81,784,929.91	81,784,929.91	
Account payable	679,428,580.08	679,428,580.08	
Accounts received in advance	22,148,080.67		-22,148,080.67
Contractual liability		22,148,080.67	22,148,080.67
Wage payable	21,602,707.70	21,602,707.70	
Taxes payable	4,125,566.60	4,125,566.60	
Other accounts payable	61,246,678.81	61,246,678.81	
Dividend payable	12,538,813.38	12,538,813.38	
Non-current liabilities due within one year	10,820,807.35	10,820,807.35	
Total current liabilities	1,333,073,299.62	1,333,073,299.62	
Non-current liabilities:			

Long-term account payable	12,827,205.03	12,827,205.03	
Deferred income	6,004,873.00	6,004,873.00	
Total non-current liabilities	18,832,078.03	18,832,078.03	
Total liabilities	1,351,905,377.65	1,351,905,377.65	
Owners' equity:			
Share capital	215,000,000.00	215,000,000.00	
Capital public reserve	185,374,533.85	185,374,533.85	
Other comprehensive income	-6,776,124.85	-6,776,124.85	
Surplus reserve	589,559.77	589,559.77	
Retained profit	-224,644,862.48	-224,644,862.48	
Total owner's equity attributable to parent Company	169,543,106.29	169,543,106.29	
Minority interests	130,557,035.50	130,557,035.50	
Total owner's equity	300,100,141.79	300,100,141.79	
Total liabilities and owner's equity	1,652,005,519.44	1,652,005,519.44	

Statement of adjustment

Balance Sheet of Parent Company

In RMB

Item	2019-12-31	2020-01-01	Adjustment
Current assets:			
Monetary fund	75,513,546.51	75,513,546.51	
Note receivable	2,180,607.60	2,180,607.60	
Accounts receivable	415,997,318.07	415,997,318.07	
Account financing	2,307,438.00	2,307,438.00	
Account paid in advance	13,234,147.98	13,234,147.98	
Other account receivable	26,761,817.07	26,761,817.07	
Inventories	73,809,627.64	73,809,627.64	
Other current assets	2,778,241.54	2,778,241.54	
Total current assets	612,582,744.41	612,582,744.41	
Non-current assets:			
Long-term equity	333,070,134.14	333,070,134.14	

investments			
Investment in other equity instrument	741,953.00	741,953.00	
Fixed assets	52,382,989.60	52,382,989.60	
Intangible assets	11,557,138.68	11,557,138.68	
Long-term deferred expenses	3,129,023.74	3,129,023.74	
Total non-current assets	400,881,239.16	400,881,239.16	
Total assets	1,013,463,983.57	1,013,463,983.57	
Current liabilities：			
Short-term borrowings	371,812,627.72	371,812,627.72	
Notes payable	81,784,929.91	81,784,929.91	
Account payable	274,182,241.12	274,182,241.12	
Accounts received in advance	7,517,427.53		-7,517,427.53
Contractual liability		7,517,427.53	7,517,427.53
Wage payable	8,135,211.34	8,135,211.34	
Taxes payable	199,408.61	199,408.61	
Other accounts payable	213,090,147.71	213,090,147.71	
Non-current liabilities due within one year	10,820,807.35	10,820,807.35	
Total current liabilities	967,542,801.29	967,542,801.29	
Non-current liabilities:			
Long-term account payable	12,827,205.03	12,827,205.03	
Deferred income	1,000,000.00	1,000,000.00	
Total non-current liabilities	13,827,205.03	13,827,205.03	
Total liabilities	981,370,006.32	981,370,006.32	
Owners’ equity:			
Share capital	215,000,000.00	215,000,000.00	
Capital public reserve	172,417,299.81	172,417,299.81	
Other comprehensive income	-1,854,910.00	-1,854,910.00	
Surplus reserve	589,559.76	589,559.76	
Retained profit	-354,057,972.32	-354,057,972.32	
Total owner’s equity	32,093,977.25	32,093,977.25	

Total liabilities and owner's equity	1,013,463,983.57	1,013,463,983.57	

Statement of adjustment

2. Retrospective adjustment of the comparative data for initial implementation of new financial instrument rules and new leasing rules since 2020

□Applicable √Not applicable

III. Audit report

Whether the 1st quarterly report has been audited or not

□Yes √ No

The 1st quarterly report of the Company was unaudited

Board of Directors of

Nanjing Putian Telecommunications Co., Ltd.

29 April 2020