

Nanjing Putian Telecommunications Co., Ltd.

SEMI-ANNUAL REPORT 2022

August 2022

Section I. Important Notice, Contents and Interpretation

Board of Directors, Board of Supervisory, 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.

Sun Xigang, principal of the Company, Wang Huilin, person in charger of accounting works and JiYiwen, head of accounting organization (accounting principal) hereby confirm that the Financial Report of Semi-Annual Report 2022 is authentic, accurate and complete.

All directors attended the Meeting for Report deliberation.

The forward-looking statements with future plans concerned in the semi-annual report do not constitute a substantial commitment of the Company to investors. Investors and relevant persons should maintain sufficient risk awareness and understand the differences between programme, forecasts and commitments.

In "Section III Management Discussion and Analysis" of this report, the company has analyzed the risk factors that may adversely affect the realization of the company's future development strategy and business objectives. Investors are kindly advised to check.

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either.

Contents

Section I Important Notice, Contents and Interpretation	1
Section II Company Profile and Main Financial Indexes	6
Section III Management Discussion and Analysis	10
Section IV Corporate Governance	23
Section V Environmental and Social Responsibility	25
Section VI Important Events	27
Section VII Changes in shares and particulars about shareholders	41
Section VIII Preferred Stock.....	46
Section IX Corporate Bonds	47
Section X Financial Report.....	48

Documents Available for Reference

- (i)The financial statement containing signature and seals of the person in charge of the Company, person in charge of the accounting works and head of accounting organization (accounting principal);
- (ii)Original copies of documents and announcements The Company released publicly during the reporting period.

Interpretation

Items	Refers to	Contents
The Company, Company	Refers to	Nanjing Putian Telecommunications Co., Ltd.
Southern Telecom	Refers to	Nanjing Southern Telecom Co., Ltd (controlling subsidiary of the Company)
Telege Company	Refers to	Nanjing PutianTelege Intelligent Building Ltd(controlling subsidiary of the Company)
Nanman Company	Refers to	Nanjing Nanman Electric Co., Ltd.(wholly-owned subsidiary of the Company)
PutianDatang	Refers to	Nanjing PutianDatang Information Electronic Co., Ltd (controlling subsidiary of the Company)

Section II Company Profile and Main Financial Indexes

I Company profile

Short form of the stock	NJ TEL B	Stock code	200468
Stock exchange for listing	Shenzhen Stock Exchange		
Name of the Company (in Chinese)	南京普天通信股份有限公司		
Short form of the Company (in Chinese)	南京普天		
Foreign name of the Company(if applicable)	Nanjing Putian Telecommunications Co.,Ltd.		
Legal representative	Sun Xigang		

II. Person/Way to contact

	Secretary of the Board	Rep. of security affairs
Name	Li Jing	Xiao Hong
Contact address	Putian Technology Pioneer Park, No.8 Fenghui Avenue, Yuhuatai District, Nanjing, Jiangsu Province	Putian Technology Pioneer Park, No.8 Fenghui Avenue, Yuhuatai District, Nanjing, Jiangsu Province
Tel.	025-69675809	025-69675865
Fax.	025-52416518	025-52416518
E-mail	lijing@postel.com.cn	xiaohong@postel.com.cn

III. Others

1. Way of contact

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

Applicable Not applicable

The registrations address, offices address and codes as well as website and email of the Company have not changed during the reporting period, found more in Annual Report 2021.

2. Information disclosure and preparation place

Whether information disclosure and preparation place changed in reporting period or not

Applicable Not applicable

The newspaper appointed for information disclosure, website for semi-annual report publish appointed by CSRC and preparation place for semi-annual report have not changed during the reporting period, found more in Annual Report 2021.

3. Other relevant information

Whether other relevant information has changed during the reporting period

Applicable Not applicable

IV. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current period	Same period of last year	Changes in the current period compared with the same period of the previous year (+,-)
Operating revenue (RMB)	407,312,616.35	451,878,610.43	-9.86%
Net profit attributable to shareholders of the listed Company (RMB)	-27,711,297.33	-29,593,867.19	6.36%
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses (RMB)	-24,553,468.90	-29,866,458.49	17.79%
Net cash flow arising from operating activities (RMB)	-95,863,997.56	-116,722,273.15	17.87%
Basic earnings per share (RMB/Share)	-0.13	-0.14	7.14%
Diluted earnings per share (RMB/Share)	-0.13	-0.14	7.14%
Weighted average ROE	-51.49%	-16.14%	-35.35%
	Current period-end	period-end of last year	Changes at end of the current period compared with the end of previous year (+,-)
Total assets (RMB)	930,826,567.40	993,571,982.44	-6.32%
Net assets attributable to shareholder of listed Company (RMB)	42,440,843.18	65,187,412.69	-34.89%

V. Difference of the accounting data under accounting rules in and out of China

1. Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either IAS (International Accounting Standards) or Chinese GAAP (Generally Accepted Accounting Principles) in the period.

2. Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either foreign

accounting rules or Chinese GAAP (Generally Accepted Accounting Principles) in the period.

VI. Items and amounts of extraordinary/non-recurring profit (gains)/loss

Applicable Not applicable

Unit: RMB/CNY

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	59,868.36	
Governmental subsidy reckoned into current gains/losses (except for those with normal operation business concerned, and conform to the national policies & regulations and are continuously enjoyed at a fixed or quantitative basis according to certain standards)	192,494.49	
Gains/losses from debt restructuring	-4,791.06	
Except for the effective hedging operations related to normal business operation of the Company, the gains/losses of fair value changes from holding the trading financial assets and trading financial liabilities, and the investment earnings obtained from disposing the trading financial asset, trading financial liability and financial assets available for sale	337,205.48	
Other non-operating revenue and expenditure except for the aforementioned items	2,718,908.67	
Other gain/loss items that qualified the definition of non-recurring gain/loss	-6,085,545.19	
Less: impact on income tax	82,712.66	
Impact on minority shareholders' equity (post-tax)	293,256.52	
Total	-3,157,828.43	

Specific information on other items of profits/losses that qualified the definition of non-recurring profit(gain)/loss

Applicable Not applicable

Other gain/loss items that qualified the definition of non-recurring gain/loss refers to the effect of liquidation closure of the accumulated foreign currency statement translation differences from the subsidiary in Hong Kong.

Information on the definition of non-recurring profit(gain)/loss that listed in the *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary (non-recurring) Profit(gain)/loss* as the recurring profit(gain)/loss

Applicable Not applicable

The Company does not have any non-recurring profit(gain)/loss listed under the *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary (non-recurring) Profit(gain)/loss* defined as recurring profit(gain)/loss

Section III. Management Discussion and Analysis

I. Main businesses of the Company in the reporting period

Our country's telecommunications industry fully implements the spirit of the 19th National Congress of the Party and its previous plenary sessions, thoroughly implements the decisions and deployments of the Party Central Committee and the State Council, and actively promotes the construction of a network power and digital China, and accelerates the construction of new information infrastructure such as 5G and gigabit optical networks, and the popularization of applications in an all-round way, providing strong support for creating new advantages in the digital economy and enhancing new momentum for economic development. According to the data released by the Ministry of Industry and Information Technology, in the first half of 2022, the overall operation of the telecommunications industry was stable. The construction and application of new infrastructure such as 5G and gigabit optical networks have been accelerated, and the communication supply capacity has been continuously improved.

During the reporting period, in the face of unfavorable factors such as rising raw material prices, key regional businesses being affected by pandemic control, and blocked logistics, the company resolutely implemented the decision-making, deployment and development strategy of the group company's party group, insisted on seeking changes while maintaining stability, strengthened centralized management and control, and made solid progress. The first was to expand the market externally, strengthen planning, identify the development orientation, coordinate internal and external resources, and actively expand the market; the second was to focus on internal management, make every effort to promote the reduction in accounts receivable and inventory, and costs, the organization simplification and the personnel optimization, and increase the efficiency of resource utilization to promote the healthy and stable development of the company.

1. Focused on superior products and reconstruct the market system

The company advocated the concept of Big Market, shared internal and external resources, reconstructed the market management system, and formed a "regional + industry" market structure. Relying on the competitive product market, it dug deep into customer needs, enhanced customer stickiness, consolidated existing business, and strengthened the cooperation with upstream and downstream industry chains of the group members, and enhanced the company's overall industry market competitiveness.

In terms of general cabling products, the company actively explored the medical, financial and other industry markets, assisted the construction of temporary hospitals in Shanghai, and provided integrated wiring systems and security cable systems; it successfully served Beijing Emergency Center, Anyang Supervisory Commissions, Shanghai Unicom and other data center computer room projects.

In terms of video conferencing products, the company adhered to the "two-wheel drive" market expansion, and expanded advantageous industries through distribution and direct sales. Continued to target at the central enterprises, finance and other industry leading enterprises, and went deep into and became more proficient at high-quality customers. In the first half of the year, the company signed the information leveling upgrade project with China Tobacco Hunan Branch, the video conferencing project with China Minmetals, and the conference room upgrade project with China Logistics Group. Multimedia integration and self-developed business continued to grow.

In terms of low-voltage distribution products, we continued to deepen our efforts in the field of rail transit, and successfully signed subway projects such as Taizhou Line S1, Beijing Line 12, Nanjing Line S8, and Hangzhou Airport Line. We focused on expanding the airport industry and signed projects such as Nanjing Lukou Airport and Xiangxi Airport.

In terms of other telecommunication products, it has gradually transformed from traditional business fields to ICT, government and enterprise customers, actively sought breakthroughs in the industry and private network market, and actively participated in the backbone telecommunication construction of domestic dedicated communication bureaus. The key developed smart ODN products successfully won the bid for the Western Theater Command Project and the Shanghai Unicom Pilot Project.

2. Adhered to independent innovation and strengthen R&D management

Improved the innovation incentive mechanism and fully mobilized the enthusiasm of R&D personnel. During the reporting period, TelegeCompany completed the integration and upgrade of the 400G optical fiber wiring system; Southern Telecom completed the development of the video conferencing network quality diagnosis system, and completed the R&D plan for the video conferencing reservation management system and the IoT centralized control management system; Nanman Company confirmed the solution of the intelligent terminal distribution box, submitted the circular connector Y50DX series products for inspection; supplied the intelligent application products integrating the optical fiber link management system with RFTS in small batches.

During the reporting period, the company had eight newly authorized patents, and participated in the formulation of a number of industry standards such as GB50462 "Code for Infrastructure Construction and Acceptance of Data Center".

II. Core Competitiveness Analysis

1. Marketing ability

The Company has mature market networks, serves the operators and industry customers in the government, rail transit, finance, medical, power, internet companies and others over a long period of time, and has rich industry experience.

2. Product competitiveness

The Company insists on being market-oriented, strengthening and optimizing its leading products, actively developing new products, and constantly improving its innovation capabilities.

The Company has high technology and product advantages in wiring products. It has developed a series of optical network connection products that have obtained a number of national invention patents, and is a supplier of strong brand influence in the field of domestic optical fiber communication network connection products. Access products have good performance in wired access networks and optical transmission networks, etc., and are ranked among the "Top Ten Most Competitive Enterprises in China's Optical Transmission and Network Access Equipment" throughout the year. Focusing on video communication applications for more than 20 years, the subsidiary Southern Telecom has accumulated rich market channels and client resources, as well as differentiated products and conceptual design capabilities, the self-developed products have been recognized by large industry clients. The complete set of electrical products of the subsidiary, Nanman Company, are widely used in airports, wharves, rail transit and other industries, and has accumulated rich customer resources and industry experience, and can provide customers with complete sets of products and solutions for individual needs. Telege Building is positioned in the high-end market for cabling system, and they actively developing new products such as a new generation of intelligent cabling systems and integrated cabling management platforms.

3. Brand influence

The Company is an information and communication enterprise under the central state-owned enterprise, and communication products have a strong brand influence in the field of domestic optical fiber communication network connection products. The integrated cabling products of

TelegeBuilding are well-known brand products in Jiangsu Province, a famous trademark of the province, and have been ranked among the top ten domestic cabling system brands for more than ten consecutive years. The video conferencing product series of Southern Telecom have a high reputation in China.

IV. Main business analysis

Overview

See the relevant content of “I-Main businesses of the Company in the reporting period”

Y-o-y changes of main financial data

Unit: RMB/CNY

	Current period	Same period of last year	Y-o-y increase/decrease (+,-)	Reasons for changes
Operating revenue	407,312,616.35	451,878,610.43	-9.86%	
Operating costs	323,444,209.14	357,433,868.99	-9.51%	
Sales expenses	40,632,210.06	49,061,292.58	-17.18%	
Administration expenses	28,299,430.10	29,720,592.42	-4.78%	
Finance expenses	4,638,360.06	2,565,937.64	80.77%	The short-term loans increased compared with the same period of previous year due to the need of operation and production
Income tax expenses	3,414,845.68	4,521,812.72	-24.48%	
R & D investment	23,642,718.55	29,747,490.78	-20.52%	
Net cash flow arising from operating activities	-95,863,997.56	-116,722,273.15	17.87%	
Net cash flow arising from investment activities	18,980,463.81	-3,292,539.34	676.47%	Trading financial assets are collected for maturity
Net cash flow arising from financing activities	20,037,650.77	22,637,031.67	-11.48%	
Net increase of cash and cash equivalent	-56,826,696.67	-96,953,248.17	41.39%	The net cash flow arising from operation and investment activities are increased on a y-o-y basis

Major changes on profit composition or profit resources in reporting period

No major changes on profit composition or profit resources occurred in reporting period

Constitution of operating revenue

Unit: RMB/CNY

	Current period	Same period last year	Y-o-y changes (+,-)
--	----------------	-----------------------	---------------------

	Amount	Ratio in operation revenue	Amount	Ratio in operation revenue)
Total operation revenue	407,312,616.35	100%	451,878,610.43	100%	-9.86%
Industries					
Communication industry	361,543,412.68	88.76%	409,138,300.62	90.54%	-11.63%
Electrical industry	45,769,203.67	11.24%	42,740,309.81	9.46%	7.09%
Products					
Video conference products-Main business revenue	128,489,658.29	31.55%	129,623,277.17	28.69%	-0.87%
General cabling products-Main business revenue	176,444,873.16	43.32%	197,510,645.45	43.71%	-10.67%
Low-voltage distribution products-Main business revenue	45,182,846.39	11.09%	41,853,695.33	9.26%	7.95%
Wiring and other products-Main business revenue	66,705,896.70	16.38%	82,624,306.00	18.28%	-19.27%
Interior offset	-16,955,752.94	-4.16%	-10,224,629.68	-2.26%	65.83%
Other business revenue	7,445,094.75	1.83%	10,491,316.16	2.32%	-29.04%
Regions					
Domestic	407,312,616.35	100.00%	451,878,610.43	100.00%	-9.86%

The industries, products, or regions accounting for over 10% of the Company's operating income or operating profit

√ Applicable □ Not applicable

Unit: RMB/CNY

	Operating revenue	Operating cost	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross profit ratio y-o-y
Industries						
Communication industry	361,543,412.68	287,588,530.51	20.46%	-11.63%	-11.87%	0.22%
Electrical industry	45,769,203.67	35,855,678.63	21.66%	7.09%	15.30%	-5.58%
Products						
Video conference products-Main business revenue	128,489,658.29	98,361,695.45	23.45%	-0.87%	-4.76%	3.13%
General cabling products-Main business revenue	176,444,873.16	137,424,676.29	22.11%	-10.67%	-7.33%	-2.80%
Low-voltage	45,182,846.39	35,374,348.50	21.71%	7.95%	15.78%	-5.29%

distribution products-Main business revenue						
Wiring and other products-Main business revenue	66,705,896.70	63,510,979.52	4.79%	-19.27%	-17.08%	-2.51%
Interior offset	-16,955,752.94	-16,899,630.56	0.33%	-65.83%	-66.92%	-0.65%
Other business revenue	7,445,094.75	5,672,139.94	23.81%	-29.04%	-35.76%	7.98%
Regions						
Domestic	407,312,616.35	323,444,209.14	20.59%	-9.86%	-9.51%	-0.31%

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main business based on latest one year's scope of period-end

Applicable Not applicable

Explain the reasons for above 30% y-o-y changes in relevant data

Applicable Not applicable

IV. Analysis of the non-main business

Applicable Not applicable

Unit: RMB/CNY

	Amount	Ratio in total profit	Cause of formation	Whether be sustainable (N/Y)
Investment income	-5,753,130.77	27.09%	The investment loss due to the liquidation of subsidiary in Hong Kong	N
Non-operation revenue	2,742,228.49	-12.91%	Due to the liquidation of subsidiary in Hong Kong, the payable that need not to paid was transferred to non-operation revenue	N
Credit impairment loss	-3,623,776.05	17.06%	The bad debt losses on receivable	N

IV. Assets and liability analysis

1. Major changes of assets composition

Unit: RMB/CNY

	End of current Period		End of last year		Ratio changes	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	131,450,037.72	14.12%	188,665,530.37	18.99%	-4.87%	
Account receivable	393,215,904.17	42.24%	334,586,551.93	33.68%	8.56%	

Contractual assets		0.00%	0.00	0.00%	0.00%	
Inventory	178,263,171.37	19.15%	186,531,565.70	18.77%	0.38%	
Investment real estate	6,510,352.16	0.70%	6,854,891.51	0.69%	0.01%	
Long-term equity investment	10,422,192.16	1.12%	10,422,193.15	1.05%	0.07%	
Fix assets	114,216,914.49	12.27%	117,801,156.71	11.86%	0.41%	
Construction in process	1,182,171.32	0.13%	292,996.23	0.03%	0.10%	
Right-of-use assets		0.00%	0.00	0.00%	0.00%	
Short-term loans	226,300,000.00	24.31%	199,000,000.00	20.03%	4.28%	
Contractual liability	19,029,759.47	2.04%	18,884,024.60	1.90%	0.14%	
Long-term loans		0.00%	0.00	0.00%	0.00%	
Lease liability		0.00%	0.00	0.00%	0.00%	

2. Main oversea assets

Applicable Not applicable

3. Assets and liability measured by fair value

Applicable Not applicable

Unit: RMB/CNY

Item	Opening amount	Gains/losses of fair value changes in the period	Accumulated fair value changes included in equity	Impairment accrued in current period	Amount purchased in current period	Sales amount in current period	Other changes	Ending amount
Financial assets								
1.Trading financial assets(excluding derivative financial assets)	20,000,000.00							
4.Other equity instrument investment	741,953.00							741,953.00
Subtotal of financial assets	20,741,953.00							741,953.00
Receivable financing	40,852,223.88							16,350,913.52
Total	61,594,176.							17,092,866.

	88							52
Financial liability	0.00							0.00

Other changes

Whether there are significant changes in the measurement attributes of the major assets during the reporting period

Yes No

4. The assets rights restricted till end of the period

Assets with ownership or use rights restricted

(1) details are:

Item	Book value at period –end	Restriction reason
Monetary funds	7,817,663.53	Performance bonds, litigation
Fixed assets	58,016,211.48	Mortgage
Intangible assets	15,116,581.08	Mortgage
Investment real estate	6,359,779.69	Mortgage
Total	87,310,235.78	

(2) other explanation

Saved as disclosed above, the Company pledged its stock rights of 4.8 million Yuan (40% equity in total) in the subsidiary Nanjing PutianTelege Intelligent Building Ltd., stock rights of 33.17 million Yuan (96.99% equity in total) in the subsidiary Nanjing Southern Telecom Co., Ltd., stock rights of 5.07 million Yuan (50.7% equity in total) in the subsidiary Nanjing PutianChangle Telecommunication Equipment Co., Ltd., and stock rights of 7.8 million Yuan (78% equity in total) in Nanjing Putian Network Co., Ltd pledge to the parent Company for entrusting the loan from Bank, and handled the Company's equity registration respectively at Market Supervision Administration in Jiangning District, Hi-Tech Industry District, Yuhuatai District and Qinghuai District of Nanjing City. Transfer of the stock rights of the aforesaid subsidiaries are restricted before the pledge being lifted.

VI. Investment analysis

1. Overall situation

Applicable Not applicable

Investment in the reporting (RMB)	Investment in the same period of last year (RMB)	Changes
1,721,041.47	3,137,203.31	-45.14%

2. The major equity investment obtained in the reporting period

Applicable Not applicable

3. The major non-equity investment doing in the reporting period

Applicable Not applicable

4. Financial assets investment

(1) Securities investment

Applicable Not applicable

The Company had no securities investment during the reporting period.

(2) Derivative investment

Applicable Not applicable

The Company had no derivatives investment during the reporting period.

5. Application of raised proceeds

Applicable Not applicable

The Company had no application of raised proceeds during the reporting period.

VII. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

The Company did not sell major assets during the reporting period

2. Sales of major equity

Applicable Not applicable

VIII. Analysis of main holding Company and joint stock companies

Applicable Not applicable

Particular about main subsidiaries and stock-jointly companies net profit over 10%

Unit: RMB/CNY

Company name	Type	Main business	Register capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Nanjing Southern Telecom Co., Ltd	Subsidiary	Multimedia communication and application solutions	34.2 million yuan	274,255,088.36	99,681,356.75	128,687,277.34	6,700,126.31	3,670,767.74
Nanjing PutianTelege Intelligent	Subsidiary	General cabling, development,	20 million yuan	269,370,539.42	88,761,250.61	179,185,572.36	11,364,633.24	11,560,286.29

Building Ltd		production and sales of the building intelligent products						
Nanjing Putian Network Co., Ltd.	Subsidiary	R&D, manufacture and sales of the software of communication, network and electronic equipment	10 million yuan	17,097,000.76	15,992,994.28	0.00	- 121,991.48	- 121,991.48
Nanjing PutianChange Telecommunications Equipment Co., Ltd.	Subsidiary	Out-door patch, sub-line equipment, network box(cube) of out-door and machinery office, manufacture and sales of communication electrical products	10 million yuan	22,977,554.92	5,203,512.46	6,246,855.42	- 4,053,367.55	- 4,053,367.55
Nanjing Putian Telecommunication Technology Company Ltd.	Subsidiary	R & D and sales of the electronic components assembly, electronic products and telecommunication equipment	5 million yuan	440,114.40	- 4,482,284.42	0.00	- 679,184.15	- 679,184.15
Nanjing Nanman Electric Co., Ltd.	Subsidiary	Manufacture and sales of industrial intelligent distribution products	41.14 million yuan	194,710,431.55	53,719,019.64	45,769,203.67	- 4,171,463.11	- 4,625,924.21
Nanjing PutianDataing Information Electronic Co., Ltd	Subsidiary	R&D, manufacture and sales of solar controller, and production & processing business of electronic products	10 million yuan	45,797,566.63	26,807,204.07	14,248,167.11	- 1,638,300.56	- 1,635,119.40

Chongqing Puhua Information Technology Co., Ltd.	Subsidiary	Information system integration service, computer software and hardware and peripherals manufacturing, manufacture of the cloud computing devices, telecommunication equipment and internet devices, big data services and software development	50 million yuan	2,005,705.23	2,000,987.75	92,920.35	-29,670.57	-29,949.56
--	------------	--	-----------------	--------------	--------------	-----------	------------	------------

Particular about subsidiaries acquired or disposed during the reporting period

Applicable Not applicable

Name	Method of acquisition and disposal during the reporting period	Impact on overall production operations and results
Putian Telecommunications (H.K.) Co., Ltd.	Close the Company	No significant impact

Explanation

IX. Structured vehicle controlled by the Company

Applicable Not applicable

X. Risks and countermeasures

Possible risks to the development of the Company:

1. Cycle risk of communication industry

The Company is mainly engaged in the manufacture and sales of communications products, customers include several major telecom operators in China. The establishment and adjustment of network construction period and investment plan of the operators have a significant impact on the operation of the Company and pose a cyclical risk to the industry.

Countermeasures: The Company will continue to further integrate quality resources, accelerate industry upgrade, expand industry market and improve industry profitability.

2. Technology R&D risk

The telecommunication industry is experiencing rapid change of technology development and product upgrade. Therefore, the Company's business operation will be adversely affected if it cannot adapt to market change, lag behind in the technology reform or the developed products do not satisfy market demands.

Countermeasures: The Company will actively follow up the latest development trend of industrial technology, develop and introduce technology based on market requirements, focus on organization, planning and management of product development and expand development of new products, aiming to maintaining the leading position in terms of technology.

3. Market competition risk

The industry in which the Company operates is highly competitive with substantial market players. Besides, customers, such as various operators, continue to adopt centralized procurement policy which led to very furious market competition. Benefiting from long-term operation, the Company has accumulated certain competitive advantages in terms of brand, technology, quality and marketing. If our products fail to cater for the market variation in future, we may lose the existing advantages in market competition.

Countermeasures: The Company will continue to capitalize on the existing advantages to consolidate traditional market while expanding special network and industry markets actively, and accelerate the transformation and upgrading of industries and foster strategic emerging industries. Through continuous cost control and scientific innovation, it continues to improve production and research capability, which leads to rapid development of the new products. Simultaneously, focusing on the market dynamics, seizing market information in order to adjusting the sales policies timely to maintain the market competitiveness.

4. Cash flow shortage risk

Products of the Company are used in operator network construction, subway construction and other projects. Affected by project completion cycle and long approval process, the industry has longer sales recovery cycle. Suffered by the COVID-19, the cash flow pressure of the Company further increased as the receivable cycle lengthened and the inventory realization cycle became slower.

Countermeasures: The company insisted on budget management of funds, and controlled the ratio of fund payment and fund return so as to ensure the dynamic balance of cash flow; this year, the company set up the "two gold" collection working group to collect the accounts receivable with long

aging by classification,at the same time, we strengthened the assessment, formulated reward and punishment measures, urged the timely recovery of the payment, strengthened the inventory management, and improved the liquidity of the inventory; obtained certain working capital financing from financial institutions as needed.

Section IV Corporate Governance

I. In the reporting period, the Company held annual shareholders' general meeting and extraordinary shareholders' general meeting

1. Annual General Meeting in the reporting period

Session of meeting	Type	Ratio of investor participation	Date	Date of disclosure	Resolutions
First Extraordinary Shareholders General Meeting of 2022	Extraordinary Shareholders General Meeting	54.25%	February 14, 2022	February 15, 2022	The Meeting have deliberated and approved the follow proposals:(1)Proposal to re-elctMr. Sun Xigang as a director of the 7 th BOD of the Company; (2) Amendment of the Article of Association
Annual General Meeting of 2021	AGM	54.25%	May 20, 2022	May 21, 2022	The Meeting have deliberated and approved the follow proposals:(1) Report on the Work of BOD for year of 2021; (2) Report on the Work of BOS for year of 2021; (3)Financial Account Report for year of 2021; (4)Profit Distribution Plan 2021; (5) Annual Report of 2021; (6) Estimated the Daily Related Transactions for year of 2022

2. Request for extraordinary general meeting by preferred stockholders whose voting rights restore

Applicable Not applicable

II. Changes of directors, supervisors and senior executives

Applicable Not applicable

Name	Position	Type	Date	Reasons
XuQian	Director(former), President (former)	Leaving office	January 12, 2022	Leaving office
Sun Xigang	Director, President	Being elected	February 14, 2022	Election of shareholders Meeting and Board Meeting

III. Profit distribution plan and capitalizing of common reserves plan for the Period

Applicable Not applicable

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either for the semi-annual year.

IV. Implementation of the Company's stock incentive plan, employee stock ownership plan or other employee incentives

Applicable Not applicable

The Company has no equity incentive plan, employee stock ownership plans or other employee incentives in Period.

Section V. Environmental and Social Responsibility

I. Major environmental

The listed Company and its subsidiary whether belong to the key sewage units released from environmental protection department

Yes No

Administrative punishment for environmental problems during the reporting period

Name of company or subsidiary	Reason for punishment	Violation	Punishment result	The impact on the production and operation of listed companies	The Company's rectification measures
-	-	-	-	-	-

Other environmental information disclosed refer to key polluters

-

Measures taken to reduce carbon emissions during the reporting period and their effects

Applicable Not applicable

Reasons for not disclosing other environmental information

The Company and its subsidiaries do not belong to the key emission enterprises announced by the environmental protection authorities. During the reporting period, The Company stringently implementing the relevant laws and regulations on national environmental protection, and there is no violation of environmental laws and regulations, no administrative penalties by environmental protection authorities for violating the environmental regulations.

II. Social responsibility

Based on the communications industry, The Company adheres to independent innovation, continuously promotes the sustainable development of itself, and fulfills its responsibilities and obligations to the interested parties, and strive to achieve the harmonious and win-win development of the enterprises, staff, society and environment.

The Company continuously improves and optimizes corporate governance, earnestly fulfills its obligation of information disclosure, ensures shareholders' right to know, right to participate and right to vote on major matters of the Company, and guarantees the legitimate rights and interests of all shareholders.

The Company attaches great importance to quality, environment and occupational safety and health management. It has passed GB/T19001-2016/ISO9001:2015 quality management system certification, GB/T24001-2016/ISO14001:2015 environmental management system certification, and GB/T45001-2020/ISO45001:2018 occupational health and safety management system certification,

and constantly strives to promote environmental protection and sustainable development.

The Company strictly abides by the Labor Law, Labor Contract Law and other laws and regulations, always adheres to the people-oriented core values, attaches great importance to the value of employees, cares about the work, life, health and safety of employees, effectively protects the rights and interests of employees, enhances the cohesion of the Company, devotes to the realization of the joint development vision of the Company and its employees.

The Company has always kept in mind the mission and responsibility of a central enterprise, enthusiastically devoted itself to social public welfare undertakings. During the reporting period, the Company organized the epidemic prevention volunteers to participate in nuclei acid testing.

Based on the principles of honesty and trustworthiness and operating in accordance with the law, the Company actively builds partnerships with suppliers, customers, banks and other relevant stakeholders, respects the legitimate rights and interests of stakeholders, achieves a win-win situation between the Company and relevant stakeholders, and promotes the Company's sustainable and steady development.

Section VI. Important Events

I. Undertakings that the actual controller, shareholders, related party, buyers and the Company have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

Applicable Not applicable

No undertakings that the actual controller, shareholders, related party, buyers and the Company have fulfilled during the reporting period and have not yet fulfilled by the end of the period

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

Applicable Not applicable

No non-operational fund occupation from controlling shareholders and its related party in period.

III. External guarantee out of the regulations

Applicable Not applicable

No external guarantee out of the regulations occurred in the period.

IV. Appointment and non-reappointment (dismissal) of CPA

Whether the financial report of semi-annual report has been audited

Yes No

The semi-annual report of the Company is unaudited.

V. Explanation from Board of Directors and Supervisory Committee for “Non-standard audit report” that issued by CPA

Applicable Not applicable

VI. Explanation from the BOD on the previous year’s “non-standard audit report”

Applicable Not applicable

VII. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization occurred during the reporting period.

VIII. Litigation

Major litigation and arbitration

Applicable Not applicable

No major litigation and arbitration occurred in the Period.

Other litigation

Applicable Not applicable

Litigation(arbitration)	Amount involved (10 thousand Yuan)	Whether a accrual liability resulted (Y/N)	Progress	Outcome and impact of litigation (arbitration)	Judgment enforcement	Disclosure date	Disclosure index
Case of sale and purchase contract dispute-Nanjing Southern Telecom Co., Ltd filed a lawsuit against BeikongEasy code	39.89	N	The verdict is in effect	No significant impact on the current profit or profit after the period	Under implementation	2022-04-26	Juchao website “Notice on Cumulative Litigation” of the Company
Case of sale and purchase contract dispute-Nanjing Shengtian Internet Technology Co., Ltd filed a lawsuit against Nanjing Putian Telecommunications Co., Ltd.	64.99	N	Case closed by the court mediation	No significant impact on the current profit or profit after the period	Under implementation	2022-04-26	Juchao website “Notice on Cumulative Litigation” of the Company
Case of sale and purchase contract dispute-Nanjing HUAMAI Technology Co., Ltd made an opposing claim against Nanjing Hehao Communication	93.39	N	On trial	No significant impact on the current profit or profit after the period	Execution completed	2022-04-26	Juchao website “Notice on Cumulative Litigation” of the Company

Technology Co., Ltd. , Nanjing Putian Telecommunications Co., Ltd is the third party							
Case of sale and purchase contract dispute- Nanjing Putian Telecommunications Co., Ltd filed a lawsuit against the Baotou Branch of China Broadcast Inner Mongolia Corporation	64.03	N	Case closed by the court mediation	No significant impact on the current profit or profit after the period	Under implementation	2022-04-26	Juchao website “Notice on Cumulative Litigation” of the Company
Nanjing Putian Telecommunications Co., Ltd <u>sued Li Qi in a labor dispute</u>	9.52	N	Second trial	No significant impact on the current profit or profit after the period	-	2022-04-26	Juchao website “Notice on Cumulative Litigation” of the Company
Nanjing PutianTelege Intelligent Building Ltd bring a suit against shareholder Yu Yumei, PengXiongan dPengShikui for damaging the interests of the Company’s creditors	21.7	N	Case closed by the court mediation	No significant impact on the current profit or profit after the period	Execution completed	2022-04-26	Juchao website “Notice on Cumulative Litigation” of the Company
Case of sale and purchase contract dispute- Nanjing Southern Telecom Co.,	15.01	N	Case closed by the court mediation	No significant impact on the current profit or profit after the period	Execution completed	2022-04-26	Juchao website “Notice on Cumulative Litigation” of the Company

Ltd filed a lawsuit against Damage Exhibition Co., Ltd							
Case of contract dispute- Nanjing Gongmei Technology Co., Ltd filed a lawsuit against General Hospital of Eastern Theater Command of Chinese PLA, Nanjing Putian Telecommunications Co., Ltd is the third party	217	N	On trial	No significant impact on the current profit or profit after the period	-	2022-04-26	Juchao website "Notice on Cumulative Litigation" of the Company
Nanjing Qinhuai District Maoye Department Store sued the Nanjing Putian Telecommunications Co., Ltd in a housing lease contract dispute	2	N	Ruled to dismiss the suit	No significant impact on the current profit or profit after the period	-	2022-04-26	Juchao website "Notice on Cumulative Litigation" of the Company
Case of sale and purchase contract dispute- Nanjing Putian Telecommunications Co., Ltd filed a lawsuit against Nanjing Gongmei	187.86	N	Case closed by the court mediation	No significant impact on the current profit or profit after the period	Under implementation	2022-04-26	Juchao website "Notice on Cumulative Litigation" of the Company

Technology Co., Ltd and LuoManinng							
Nanjing Putian Telecommunications Co., Ltd sued Nantong Huarong Construction Corporation in an engineering construction contract dispute	19.56	N	Settlement withdrawal	No significant impact on the current profit or profit after the period	-	2022-04-26	Juchao website “Notice on Cumulative Litigation” of the Company
Other litigation that did not meet the disclosure standards during the reporting period	689.29	N	-	-	-		-

IX. Penalty and rectification

Applicable Not applicable

Name	Type	Reason	Investigation Penalty Type	Conclusion (if applicable)	Disclosure date	Disclosure index
Nanjing Putian Communication Co., Ltd.	Other	Irregular revenue recognition	other	Regulatory measures on correction	2022-01-28	Juchao website: Notice on Receipt of the Decision Letter on Administrative Supervision Measures from CSRC of Jiangsu (Notice No.: 2022-004)

Description of rectification

Applicable Not applicable

According to the requirement of Decision Letter on Administrative Supervision Measures from CSRC of Jiangsu, the Company conducts a correction in accounting errors on relevant data in periodic reports from 2017 to 2019(found more in the Notice on Correction of Prior-Period Accounting Errors released on April 26, 2022), and submitted a written rectification report to the CSRC of Jiangsu .

X. Integrity of the company and its controlling shareholders and actual controllers

Applicable Not applicable

XI. Major related party transaction

1. Day-to-day related party transaction

Applicable Not applicable

Related transaction parties	Related relationship	Related transaction type	Related transaction content	Pricing principle	Dealing price	Trading amount (in 10 thousand Yuan)	Proportion in the amount of the same transaction	Approved transaction amount (in 10 thousand Yuan)	Whether to exceed the approved amount	Means of payments	Market price of similar transaction available	Disclosure date	Disclosure index
Nanjing Hikvision Digital Technology Co., Ltd.	Other enterprises under the same control of the actual controller	Purchase of products	Telecom product	Market price	14.09	14.09	0.05%	2,000	N	Bank transfer	14.09	2022-03-25	Notice on Forecast of Daily Related Transaction for 2022 published on Juchao Website
Nanjing Putian Honyar Electronics Tech. Co., Ltd	Other enterprises under the same control of the actual controller	Purchase of products and receipt of services	Goods and Services	Market price	3.08	3.08	0.01%		N	Bank transfer	3.08		
The 28 th Research Institute of China Electronics Techn	Other enterprises under the same control of the actual	Sales of goods	Sales Products	Market price	142.03	142.03	0.35%	10,000	N	Bank transfer	142.03	2022-03-25	Notice on Forecast of Daily Related Transaction for

Nanjing Putian Honyar Electronics Tech. Co., Ltd	Other enterprises under the same control of the actual controller	Sales of goods, Providing services	Sales Products/ services	Market price	1.06	1.06	0.00%		N	Bank transfer	1.06		
Putian High-tech Industry Co., Ltd.	Other enterprises under the same control of the actual controller	Providing services	Providing services	Market price	0.44	0.44	0.00%		N	Bank transfer	0.44		
Beijing Putian Taili Communication Technology Co., Ltd.	Other enterprises under the same control of the actual controller	Sales of goods	terminal, supporting	Market price	0.32	0.32	0.00%		N	Bank transfer	0.32		
CETC LES Information System Co., Ltd.	Other enterprises under the same control of the actual controller	Sales of goods	Sales Products	Market price	0.06	0.06	0.00%		N	Bank transfer	0.06		
Putian High-tech Industry Co., Ltd.	Other enterprises under the same control	Leased property	Rental costs	Market price	30.62	30.62	22.99%	100	N	Bank transfer	30.62	2022-03-25	Notice on Forecast of Daily Related

	l of the actual controller												Transaction for 2022 published on Juchao Website
Nanjing Lopu Co., Ltd.	Other enterprises under the same control of the actual controller	Rental property	Rental income	Market price	19.76	19.76	12.36 %	200	N	Bank transfer	19.76	2022-03-25	Notice on Forecast of Daily Related Transaction for 2022 published on Juchao Website
China Potevivo	Controlling shareholder	Entrusted loan interest	Interest expense	Market price	360.53	360.53	68.13 %	1,000	N	Bank transfer	360.53	2022-03-25	Notice on Forecast of Daily Related Transaction for 2022 published on Juchao Website
Total				--	--	689.04	--	13,300	--	--	--	--	--
Details of major sold-out order sent back				Not applicable									
The actual implementation of Daily Related Transactions that is about to occurred in the Period with total amount estimated by				Total routing related transactions incurred during the reporting period did not exceed the estimated total amount									

category (if applicable)	
Reason for the great difference between trade price and market reference price (if applicable)	Not applicable

2. Related party transactions of assets acquisition and sold

Applicable Not applicable

No related party transactions of assets acquisition and sold occurred during the reporting period

3. Related party transactions of mutual investment outside

Applicable Not applicable

No related party transactions of mutual investment outside occurred during the reporting period.

4. Contact of related party credit and debt

Applicable Not applicable

Whether the Company had non-operating contact of related credit and debt

Yes No

The Company had no non-operating contact of related credit and debt in the reporting period.

5. Contact with the related finance companies

Applicable Not applicable

Deposit business

Related party	Relationship	Maximum daily deposit limit (in 10 thousand yuan)	Deposit interest rate range	Opening balance (in 10 thousand yuan)	Amount for the Period		Ending Balance (10 thousand yuan)
					Total deposit amount for the Period (10 thousand yuan)	The total amount withdrawn in the Period (10 thousand yuan)	
China Electronics Technology Finance Co., Ltd.	Other enterprises controlled by the actual controller	69,550.04	0.3%-1.1%	715.16	14,480.25	14,367.87	827.54

Loan business

Related party	Relationship	Loan amount(in 10 thousand yuan)	Loan interest rate range	Opening balance (in 10 thousand yuan)	Amount for the Period		Ending Balance (10 thousand yuan)
					Total deposit amount for the Period (10 thousand yuan)	The total amount withdrawn in the Period (10 thousand yuan)	

Credit extension or other financial business

Related party	Relationship	Type of business	Total amount (10 thousand yuan)	Actual amount (10 thousand yuan)
China Electronics Technology Finance Co., Ltd.	Other enterprises controlled by the actual controller	Credit	20,000	0

6. Transactions between the finance company controlled by the Company and related parties

Applicable Not applicable

There are no deposits, loans, credits or other financial business between the finance companies controlled by the Company and related parties

7. Other significant related transactions

Applicable Not applicable

During the reporting period, the company had no other significant related transactions.

XII. Significant contract and implementations

1. Trusteeship, contract and leasing

(1) Trusteeship

Applicable Not applicable

No trusteeship occurred during the reporting period

(2) Contract

Applicable Not applicable

No contract occurred during the reporting period

(3) Leasing

Applicable Not applicable

Explanation on leasing

During the reporting period, the company and its subsidiaries incurred rental fee of 1.1974 million yuan, and rental income of 1.5988 million yuan.

Items that bringing gain/loss to the Company more than 10% of the total profits in reporting period

Applicable Not applicable

No items generated over 10% gains/losses in total profit in reporting period for the Company

2. Material guarantees

√Applicable □Not applicable

Unit: 10⁷000 yuan

Particulars about the external guarantee of the Company and the subsidiaries (Barring the guarantee for subsidiaries)										
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if applicable)	Counter-guarantee situation (if applicable)	Guarantee term	Implemented (Y/N)	Guarantee for related party (Y/N)
Guarantee between The Company and the subsidiaries										
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if applicable)	Counter-guarantee situation (if applicable)	Guarantee term	Implemented (Y/N)	Guarantee for related party (Y/N)
Nanjing Southern Telecom Co., Ltd	2021-04-20	5,000	2021-10-28	2,000	Jointly liability guaranty			2021.11.12-2022.7.22	N	N
Nanjing Southern Telecom Co., Ltd	2021-04-20	5,000	2022-02-15	1,000	Jointly liability guaranty			2022.02.23-2022.11.16	N	N
Total amount of approving guarantee for subsidiaries in report period (B1)			0	Total amount of actual occurred guarantee for subsidiaries in report period (B2)						1,000
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)			0	Total balance of actual guarantee for subsidiaries at the end of reporting period (B4)						3,000
Guarantees of subsidiaries to subsidiaries										
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening	Actual guarantee limit	Guarantee type	Collateral (if applicable)	Counter-guarantee situation (if applicable)	Guarantee term	Implemented (Y/N)	Guarantee for related party (Y/N)
Total amount of guarantee of the Company (total of three above mentioned guarantee)										
Total amount of approving guarantee in report period (A1+B1+C1)			0	Total amount of actual occurred guarantee in report period (A2+B2+C2)						1,000
Total amount of approved guarantee			0	Total balance of actual guarantee at						3,000

at the end of report period (A3+B3+C3)		the end of report period (A4+B4+C4)	
The proportion of the total amount of actually guarantee in the net assets of the Company (that is A4+ B4+C4)			70.69%
Including:			
Amount of guarantee for shareholders, actual controller and its related parties (D)			0
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly (E)			0
Proportion of total amount of guarantee in net assets of the Company exceed 50% (F)			877.96
Total amount of the aforesaid three guarantees (D+E+F)			877.96
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees (if applicable)	N/A		
Explanations on external guarantee against regulated procedures (if applicable)	N/A		

Explanation on guarantee using the composite way

3. Trust financing

Applicable Not applicable

The Company had no trust financing in the reporting period.

4. Other significant contract

Applicable Not applicable

The company had no other significant contract in the reporting period.

XIII. Description of other significant matters

Applicable Not applicable

Major events disclosed by the company during the reporting period are indexed as follows:

Matters (name of announcement)	Disclosure date	Index of information on appointed website
Resignation of the President	2022.1.13	Juchao Website (www.cninfo.com.cn)
Notice on Resolution of 55 th Session of 7 th BOD	2022.1.19	Juchao Website (www.cninfo.com.cn)
Announcement on Convening the First Extraordinary General Meeting of Shareholders of 2022	2022.1.19	Juchao Website (www.cninfo.com.cn)
Notice on Receipt of the Decision Letter on Administrative Supervision Measures from CSRC of Jiangsu	2022.1.28	Juchao Website (www.cninfo.com.cn)
2021 annual performance forecast	2022.1.29	Juchao Website (www.cninfo.com.cn)
Announcement on Convening the 1 st Extraordinary Shareholders General Meeting of 2022	2022.2.15	Juchao Website (www.cninfo.com.cn)
Notice on Resolution of 56 th Session of 7 th BOD	2022.2.15	Juchao Website (www.cninfo.com.cn)
Announcement on the progress of guarantee for Subsidiary	2022.2.24	Juchao Website (www.cninfo.com.cn)

Notice on Resolution of 57 th Session of 7 th BOD	2022.3.25	Juchao Website (www.cninfo.com.cn)
Announcement of the Forecast for Routine Related Transaction for year of 2022	2022.3.25	Juchao Website (www.cninfo.com.cn)
Notice on Resolution of 58 th Session of 7 th BOD	2022.4.26	Juchao Website (www.cninfo.com.cn)
Announcement on Resolution of 24 th Session of 7 th Supervisory Committee	2022.4.26	Juchao Website (www.cninfo.com.cn)
Summary of Annual Report 2021	2022.4.26	Juchao Website (www.cninfo.com.cn)
Announcement on Provision for Impairment of Assets for 2021	2022.4.26	Juchao Website (www.cninfo.com.cn)
Notice on Correction of Prior-Period Accounting Errors	2022.4.26	Juchao Website (www.cninfo.com.cn)
Announcement on Convening the AGM of 2021	2022.4.26	Juchao Website (www.cninfo.com.cn)
Expected the Continuing Related Transactions with CETC Finance Co., Ltd for year of 2022	2022.4.26	Juchao Website (www.cninfo.com.cn)
Notice on Accumulated Litigation	2022.4.26	Juchao Website (www.cninfo.com.cn)
First Quarterly Report 2022	2022.4.29	Juchao Website (www.cninfo.com.cn)
Announcement of abnormal fluctuations in stock trading	2022.5.13	Juchao Website (www.cninfo.com.cn)
Announcement on Resolution of AGM of 2021	2022.5.21	Juchao Website (www.cninfo.com.cn)
The 2021 Annual Continuing Supervision Report and Continuing Supervision Summary Report of the Material Assets Sales and Related Transaction of Nanjing Putian Telecommunications Co., Ltd from CITIC Securities	2022.5.21	Juchao Website (www.cninfo.com.cn)
Announcement on convening the 2021 annual performance online briefing	2022.5.26	Juchao Website (www.cninfo.com.cn)

XIV. Important event of the subsidiaries

Applicable Not applicable

Section VII. Changes in Shares and Particulars about Shareholders

I. Changes in Share Capital

1. Changes in Share Capital

Unit: share

	Before the Change		Increase/Decrease in the Change (+, -)					After the Change	
	Amount	Proportion	New shares issued	Bonus shares	Public reserve transfer into share capital	Others	Subtotal	Amount	Proportion
I. Unlisted shares	115,000,000	53.49%						115,000,000	53.49%
1. Sponsor's shares	115,000,000	53.49%						115,000,000	53.49%
Including: state-owned shares	115,000,000	53.49%						115,000,000	53.49%
Domestic legal person's shares									
Foreign legal person's shares									
Other									
2. Collection of corporate shares									
3. Internal employee shares									
4. Preferred									

Stock or other									
II. Listed shares	100,000,000	46.51%						100,000,000	46.51%
1. RMB ordinary shares									
2. Domestically listed foreign shares	100,000,000	46.51%						100,000,000	46.51%
3. Foreign listed overseas shares									
4. Other									
III. Total shares	215,000,000	100.00%						215,000,000	100.00%

Reasons for share changed

Applicable Not applicable

Approval of share changed

Applicable Not applicable

Ownership transfer of share changed

Applicable Not applicable

Progress of shares buy-back

Applicable Not applicable

Implementation progress of reducing holdings of shares buy-back by centralized bidding

Applicable Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

Applicable Not applicable

Other information necessary to disclose or need to disclosed under requirement from security regulators

Applicable Not applicable

2. Changes of lock-up stocks

Applicable Not applicable

II. Securities issuance and listing

Applicable Not applicable

III. Amount of shareholders of the Company and particulars about shares holding

Unit: share

Total common stock shareholders in reporting period-end		7,987	Total preference shareholders with voting rights recovered at end of reporting period (if applicable) (see note 8)		0			
Particulars about common shares held above 5% by shareholders or top ten common shareholders								
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Amount of common shares held at the end of reporting period	Changes in report period	Amount of restricted common shares held	Amount of common shares held without restriction	Information of shares pledged, tagged or frozen	
							State of share	Amount
China Potevio Company Limited	State-owned corporation	53.49%	115,000,000	0	115,000,000	0		
ShenwanHongYuan (H.K.) Limited	Foreign corporation	2.45%	5,266,300	-1,150,520	0	5,266,300		
GUOTAI JUNAN SECURITIES(HONG KONG) LIMITED	Foreign corporation	1.38%	2,958,306	163,400	0	2,958,306		
ZhengEnyue	Domestic nature person	1.14%	2,449,739	0	0	2,449,739		
Sun Huiming	Domestic nature person	0.93%	2,000,000	0	0	2,000,000		
GuJinhua	Domestic nature person	0.87%	1,871,371	0	0	1,871,371		
Guosen Securities (H.K.) Broker Co., Ltd.	Foreign corporation	0.85%	1,828,682	0	0	1,828,682		
BOCI SECURITIES LIMITED	Foreign corporation	0.59%	1,266,945	0	0	1,266,945		
ZhengHongquan	Domestic nature person	0.47%	1,002,200	10,300	0	1,002,200		
Xiang Yan	Domestic nature person	0.42%	905,602	0	0	905,602		

Strategy investor or general legal person becoming the top 10 common shareholders by placing new shares (if applicable) (see note 3)	N/A		
Explanation on associated relationship among the aforesaid shareholders	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.		
Description of the above shareholders in relation to delegate/entrusted voting rights and abstention from voting rights.	N/A		
Special note on the repurchase account among the top 10 shareholders (if applicable) (see note 11)	N/A		
Particular about top ten shareholders with un-lock up common stocks held			
Shareholders' name	Amount of common shares held without restriction at Period-end	Type of shares	
		Type	Amount
ShenwanHongYuan (H.K.) Limited	5,266,300	Domestically listed foreign shares	5,266,300
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	2,958,306	Domestically listed foreign shares	2,958,306
ZhengEnyue	2,449,739	Domestically listed foreign shares	2,449,739
Sun Huiming	2,000,000	Domestically listed foreign shares	2,000,000
GuJinhua	1,871,371	Domestically listed foreign shares	1,871,371
Guosen Securities (H.K.) Broker Co., Ltd.	1,828,682	Domestically listed foreign shares	1,828,682
BOCI SECURITIES LIMITED	1,266,945	Domestically listed foreign shares	1,266,945
ZhengHongquan	1,002,200	Domestically listed foreign shares	1,002,200

Xiang Yan	905,602	Domestically listed foreign shares	905,602
Liang Wei	772,800	Domestically listed foreign shares	772,800
Expiation on associated relationship or consistent actors within the top 10 un-lock up common shareholders and between top 10 un-lock up common shareholders and top 10 common shareholders	It is unknown whether the shareholders just mentioned belong to consistent actors or have associated relationship.		
Explanation on top 10 common shareholders involving margin business (if applicable) (see note 4)	N/A		

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

Yes No

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

IV. Changes of shares held by directors, supervisors and senior executives

Applicable Not applicable

Shares held by directors, supervisors and senior executives have no changes in reporting period, found more details in Annual Report 2021.

V. Changes in controlling shareholders or actual controllers

Change of controlling shareholder during the reporting period

Applicable Not applicable

The Company had no change of controlling shareholder during the reporting period

Change of actual controller during the reporting period

Applicable Not applicable

The Company had no change of actual controller during the reporting period

Section VIII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the Period

Section IX. Corporate Bonds

Applicable Not applicable

Section X. Financial Report

I. Audit report

Whether the semi annual report is audited

Yes No

The company's semi annual financial report has not been audited

II. Financial Statement

Statement in Financial Notes are carried in RMB/CNY

Consolidated balance sheet

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

2022/6/30

Unit: RMB

Item	Notes	2022/6/30	2021/12/31
Current assets :			
Cash and bank balances	V(1)	131,450,037.72	188,665,530.37
Held-for-trading financial assets	V(2)		20,000,000.00
Derivative financial assets			
Notes receivable	V(3)	8,852,901.01	13,703,192.38
Accounts receivable	V(4)	393,215,904.17	334,586,551.93
Receivables financing	V(5)	16,350,913.52	40,852,223.88
Advances paid	V(6)	26,337,161.83	22,645,816.66
Other receivable	V(7)	13,660,160.59	16,628,195.17
Including: Interest receivable			
dividend receivable			
Inventories	V(8)	178,263,171.37	186,531,565.70
Contract assets			
assets hold available for sale			
Non-current assets due within one year			
Other current assets	V(9)	4,784,402.16	7,763,000.07
Total current assets		772,914,652.37	831,376,076.16
Non-current assets :			
Debt investment			
Other debt investment			
Long-term receivable			
Long-term equity investments	V(10)	10,422,192.16	10,422,193.15
Other equity instrument investments	V(11)	741,953.00	741,953.00
Other non-current financial assets			
Investment property	V(12)	6,510,352.16	6,854,891.51
Fixed assets	V(13)	114,216,914.49	117,801,156.71
Construction in progress	V(14)	1,182,171.32	292,996.23
Productive biological assets			
Oil and gas asset			
Right-of-use asset			
Intangible assets	V(15)	20,584,978.06	21,108,747.48
Development expenditure			
Goodwill			
Long-term prepayments	V(16)	4,253,353.84	4,973,968.20
Deferred tax assets	V(17)		
Other non-current assets			
Total non-current assets		157,911,915.03	162,195,906.28
Total assets		930,826,567.40	993,571,982.44

Legal Representative:

Accounting Director:

Accounting Manager:

Consolidated balance sheet (continued)

Preparation unit: Nanjing Putian Telecommunications Co., Ltd 2022/6/30

Unit: RMB

Item	Notes	2022/6/30	2021/12/31
Current liabilities:			
Short-term borrowings	V(18)	226,300,000.00	199,000,000.00
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable	V(19)	1,250,000.00	1,251,741.17
Accounts payable	V(20)	478,365,312.80	538,363,742.94
Advances received			
Contract liabilities	V(21)	19,029,759.47	18,884,024.60
Employee benefits payable	V(22)	17,810,279.35	19,445,171.68
Taxes payable	V(23)	6,251,609.62	2,881,067.35
Other payable	V(24)	66,204,911.49	64,006,795.08
Including: Interest payable			
dividend payable		12,538,813.38	2,142,213.38
Liability hold for sale			
Non-current liabilities due within one year	V(25)		2,656,474.95
Other current liabilities	V(26)	1,520,821.27	2,454,923.31
Total current liability		816,732,694.00	848,943,941.08
Non-current liability:			
Long-term borrowings			
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liability			
Long-term payable			
Long-term employee compensation payable			
Provisions			
Deferred income			
Deferred income tax liabilities			
Other non-current liability			
Total non-current liability			
Total liability		816,732,694.00	848,943,941.08
Owners' equity (or shareholders' equity):			
Share capital	V(27)	215,000,000.00	215,000,000.00
Other equity instrument			
Including: preferred shares			
Perpetual bond			
Capital reserve	V(28)	197,864,174.08	197,864,174.08
Less: treasury stocks			
Other comprehensive income (OCI)	V(29)	-1,854,910.00	-6,819,637.82
Special reserves			
Surplus reserve	V(30)	589,559.77	589,559.77
Undistributed profit	V(31)	-369,157,980.67	-341,446,683.34
Total owner's equity (or shareholders' equity) attributable to the parent company		42,440,843.18	65,187,412.69
Minority shareholders' equity		71,653,030.22	79,440,628.67
Total owner's equity (or shareholders' equity)		114,093,873.40	144,628,041.36
Total liabilities and owners' equity (or shareholders' equity)		930,826,567.40	993,571,982.44

Legal Representative:

Accounting Director:

Accounting Manager:

Parent Company Balance Sheet

Preparation unit: Nanjing Putian Telecommunications Co., Ltd. 2022/6/30

Unit: RMB

Item	Notes	2022/6/30	2021/12/31
Current assets :			
Cash and bank balances		16,061,627.27	36,485,015.68
Held-for-trading financial assets			
Derivative financial assets			
Notes receivable		649,152.10	390,277.10
Accounts receivable	XII(I)	113,129,555.87	124,745,572.67
Receivables financing		1,981,223.66	2,756,775.53
Advances paid		14,592,117.77	15,353,338.77
Other receivable	XII(II)	35,351,146.99	28,544,036.00
Including: Interest receivable			
dividend receivable		600,000.00	600,000.00
Inventories		48,766,852.21	48,126,590.30
Contract assets			
assets hold available for sale			
Non-current assets due within one year			
Other current assets		1,004,041.49	379,332.63
Total current assets		231,535,717.36	256,780,938.68
Non-current assets :			
Debt investment			
Other debt investment			
Long-term receivable			
Long-term equity investments	XII(III)	123,831,260.80	123,831,261.79
Other equity instrument investment		741,953.00	741,953.00
Other non-current financial assets			
Investment property			
Fixed assets		42,350,211.62	43,878,403.96
Construction in progress			
Productive biological assets			
Oil and gas asset			
Right-of-use asset			
Intangible assets		4,463,053.85	4,644,068.97
Development expenditure			
Goodwill			
Long-term prepayments		3,620,874.07	4,192,313.07
Deferred tax assets			
Other non-current assets			
Total non-current assets		175,007,353.34	177,288,000.79
Total assets		406,543,070.70	434,068,939.47

Legal Representative:

Accounting Director:

Accounting Manager:

Parent Company Balance Sheet (Continued)

Preparation unit: Nanjing Putian Telecommunications Co., Lt 2022/6/30

Unit: RMB

Item	Notes	2022/6/30	2021/12/31
Current liabilities :			
Short-term borrowings		145,000,000.00	145,000,000.00
Transactional financial liabilities			
Derivative financial liabilities			
Notes payable		1,250,000.00	1,251,741.17
Accounts payable		153,233,196.52	170,302,775.78
Advances received			
Contract liabilities		9,919,214.76	7,311,902.06
Employee benefits payable		7,699,834.71	9,250,482.99
Taxes payable		440,469.45	57,506.75
Other payables		149,057,443.51	141,386,167.51
Including: Interest payable			
dividend payable			
Liability hold for sale			
Non-current liabilities due within one year			2,656,474.95
Other current liabilities		340,274.44	950,547.38
Total current liability		466,940,433.39	478,167,598.59
Non-current liability:			
Long-term borrowings			
Bonds payable			
Including: preferred shares			
Perpetual bond			
Lease liability			
Long-term payable			
Long-term employee compensation payable			
Provisions			
Deferred income			
Deferred income tax liabilities			
Other non-current liability			
Total non-current liability			
Total liability		466,940,433.39	478,167,598.59
Owners' equity (or shareholders' equity):			
Share capital		215,000,000.00	215,000,000.00
Other equity instrument			
Including: preferred shares			
Perpetual bond			
Capital reserve		158,864,042.34	158,864,042.34
Less: treasury stocks			
Other comprehensive income (OCI)		-1,854,910.00	-1,854,910.00
Special reserves			
Surplus reserve		589,559.76	589,559.76
Undistributed profit		-432,996,054.79	-416,697,351.22
Total owner's equity (or shareholders' equity)		-60,397,362.69	-44,098,659.12
Total liabilities and owners' equity (or shareholders' equity)		406,543,070.70	434,068,939.47

Legal Representative:

Accounting Director:

Accounting Manager:

Consolidated Income Statement

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2022

Unit: RMB

Item	Notes	Current period cumulative	Preceding period comparative
I. Operating revenue	V(32)	407,312,616.35	451,878,610.43
Less: Operating cost	V(32)	323,444,209.14	357,433,868.99
Taxes and surcharges	V(33)	2,360,382.34	2,771,656.02
Selling expenses	V(34)	40,632,210.06	49,061,292.58
Administrative expenses	V(35)	28,299,430.10	29,720,592.42
R&D expenses	V(36)	23,642,718.55	29,747,490.78
Financial expenses	V(37)	4,638,360.06	2,565,937.64
Including: Interest expense		5,291,794.15	2,798,625.53
Interest income		779,954.73	410,149.62
Add: other income	V(38)	1,075,367.01	1,192,018.97
Investment income (losses are listed with "-")	V(39)	-5,753,130.77	-1.19
Including: investment income from associates and joint ventures		-0.99	-1.19
Derecognition income of financial assets measured at amortized cost			
Net exposure hedging gain (loss are listed with "-")			
Gains from changes in fair value (losses are listed with "-")			
Credit impairment loss (losses are listed with "-")	V(40)	-3,623,776.05	-2,408,210.40
Assets impairment loss (losses are listed with "-")	V(41)	-9,993.42	
Gain on assets disposal (loss are listed with "-")	V(42)	59,868.36	15,829.32
II. Operating profit (loss show as "—")		-23,956,358.77	-20,622,591.30
Plus: non-operating revenue	V(43)	2,742,228.49	56,934.58
Less: non-operating expenditures	V(44)	23,319.82	61,544.99
III. Total profit (total loss is listed with "-")		-21,237,450.10	-20,627,201.71
Deduct: income tax expense	V(45)	3,414,845.68	4,521,812.72
IV. Net profit (net loss is listed with "-")		-24,652,295.78	-25,149,014.43
(1) Classified by business continuity:			
1. Net profits from continuing operations		-24,652,295.78	-25,149,014.43
2. Discontinued operating net profit			
(2) Classified by ownership:			
1. Net profits belong to the parent company's owner		-27,711,297.33	-29,593,867.19
2. Minority shareholder gains and losses		3,059,001.55	4,444,852.76
V. Net after-tax of other comprehensive income		4,964,727.82	961,946.58
(1) Net after-tax amount of other comprehensive income attributable to owners of the parent company		4,964,727.82	961,946.58
1) Other comprehensive income that cannot be reclassified into profit and loss			
1. Re-measurement of changes in defined benefit plans			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in the fair value of other equity instrument investments			
4. Changes in fair value of the enterprise's own credit risk			
2) Other comprehensive income that will be reclassified into profit and loss		4,964,727.82	961,946.58
1. Other comprehensive income that can be converted to profit or loss under the equity method			
2. Changes in the fair value of other debt investments			
3. Amount of financial assets reclassified and included in other comprehensive income			
4. Other debt investment credit impairment reserves			
5. Cash flow hedge reserve (the effective part of cash flow hedge gains and losses)			
6. Translation difference of foreign currency financial statements		4,964,727.82	961,946.58
7. Other			
(2) Net after-tax amount of other comprehensive income attributable to minority shareholders			
VI. Total comprehensive income		-19,687,567.96	-24,187,067.85
(1) Total comprehensive income attributable to owners of the parent		-22,746,569.51	-28,631,920.61
(2) Total comprehensive income attributable to minority shareholders		3,059,001.55	4,444,852.76
VII. Earnings per share			
(1) Basic earnings per share		-0.13	-0.14
(2) Diluted earnings per share		-0.13	-0.14

Legal Representative:

Accounting Director:

Accounting Manager:

Parent company income statement

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2022

Unit: RMB

Item	Notes	Current period cumulative	Preceding period comparative
I. Operating revenue	XII (IV)	50,038,373.04	63,611,201.65
Less: Operating cost	XII (IV)	46,478,802.30	59,096,001.19
Taxes and surcharges		470,537.41	891,562.48
Selling expenses		7,634,487.51	14,093,441.48
Administrative expenses		13,590,533.21	14,173,902.23
R&D expenses		2,099,006.16	4,771,057.66
Financial expenses		3,082,696.98	1,549,446.67
Including: Interest expense			1,997,776.76
Interest income			498,022.08
Add: other income			232,500.00
Investment income (losses are listed with "-")	XII (V)	9,275,567.95	9,153,398.81
Including: investment income from associates and joint ventures		-0.99	-1.19
Derecognition income of financial assets measured at amortized cost			
Net exposure hedging gain (loss are listed with "-")			
Gains from changes in fair value (losses are listed with "-")			
Credit impairment loss (losses are listed with "-")		-2,247,159.32	-55,949.44
Assets impairment loss (losses are listed with "-")		-9,993.42	
Gain on assets disposal (loss are listed with "-")		11,078.62	15,829.32
II. Operating profit (loss show as "—")		-16,288,196.70	-21,618,431.37
Plus: non-operating revenue		0.30	22,004.66
Less: non-operating expenditures		10,507.17	58,703.08
III. Total profit (total loss is listed with "-")		-16,298,703.57	-21,655,129.79
Deduct: income tax expense			
IV. Net profit (net loss is listed with "-")		-16,298,703.57	-21,655,129.79
(1) Net profits from continuing operations		-16,298,703.57	-21,655,129.79
(2) Discontinued operating net profit			
V. Other comprehensive income net of tax			
(1) Comprehensive income not to be reclassified to profit or loss			
1. Changes in remeasurement of defined benefit obligations			
2. Other comprehensive income not to be reclassified to profit or loss in equity method			
3. Fair value changes in other equity instrument investments			
4. Fair value changes in the enterprise's own credit risk			
(2) Comprehensive income to be reclassified to profit or loss			
1. Other comprehensive income to be reclassified to profit or loss in equity method			
2. Gain or loss from fair value changes of other debt instruments			
3. Amount of financial assets reclassified and included in other comprehensive income			
4. Credit impairment provision of other debt investment			
5. Cash flow hedge reserve (the effective part of cash flow hedge gains and losses)			
6. Translation difference of foreign currency financial statements			
7. Other			
VI. Total comprehensive income		-16,298,703.57	-21,655,129.79
VII. Earnings per share:			
(1) Basic earnings per share			
(2) Diluted earnings per share			

Legal Representative:

Accounting Director:

Accounting Manager:

Consolidated statement of cash flow

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2022

Unit: RMB

Item	Notes	Current period cumulative	Preceding period comparative
I. Cash flow from operating activities:			
Cash received from the sale of goods and the provision of labor services		363,970,444.16	420,252,617.33
Tax Refund		2,247,311.40	1,054,350.93
Other cash received relating to operating activities	V(46)	30,412,910.74	14,468,443.28
Subtotal of cash inflow from operating activities		396,630,666.30	435,775,411.54
Cash paid for purchasing goods and receiving labor services		329,573,224.21	373,073,984.06
Cash paid to and for employees		96,370,956.21	95,944,470.91
Various taxes and fees paid		12,364,394.53	22,940,276.09
Other cash payments related to operating activities	V(46)	54,186,088.91	60,538,953.63
Subtotal of cash outflows from operating activities		492,494,663.86	552,497,684.69
Net cash flow from operating activities		-95,863,997.56	-116,722,273.15
II. Cash flow from investment activities:			
Cash received from investment		20,000,000.00	
Cash received from investment income		337,205.48	
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		71,200.00	31,890.00
Net cash received from disposal of subsidiaries and other business units			
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		20,408,405.48	31,890.00
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		1,427,941.67	3,324,429.34
Cash Investment			
Net cash paid for acquiring subsidiaries and other business units			
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		1,427,941.67	3,324,429.34
Net cash flows from investing activities		18,980,463.81	-3,292,539.34
III. Cash flow from financing activities:			
Absorb cash received from investment			
Including: cash received by the subsidiary from absorbing minority shareholders' investment			
Cash received from borrowing		45,900,000.00	140,500,000.00
Other cash receipts related to financing activities			
Subtotal of cash inflows from financing activities		45,900,000.00	140,500,000.00
Cash paid for debt repayment		18,600,000.00	70,057,921.04
Cash paid for dividends, profits, or interest payments		6,123,632.11	7,991,968.37
Including: dividends and profits paid by subsidiaries to minority shareholders		450,000.00	
Other cash payments related to financing activities	V(46)	1,138,717.12	39,813,078.92
Subtotal of cash outflows from financing activities		25,862,349.23	117,862,968.33
Net cash flow from financing activities		20,037,650.77	22,637,031.67
IV. The impact of exchange rate changes on cash and cash equivalents		19,186.31	424,532.65
V. Net increase in cash and cash equivalents		-56,826,696.67	-96,953,248.17
Add: the balance of cash and cash equivalents at the beginning of the period		180,459,070.86	170,062,746.87
VI. Balance of cash and cash equivalents at the end of the period		123,632,374.19	73,109,498.70

Legal Representative:

Accounting Director:

Accounting Manager:

Statement of cash flow of Parent Co.

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2022

Unit: RMB

Item	Notes	Current period cumulative	Preceding period comparative
I. Cash flow from operating activities:			
Cash received from the sale of goods and the provision of labor services		64,382,978.54	75,606,543.56
Tax Refund		1,333,269.39	18,754.29
Other cash received relating to operating activities		15,236,826.00	38,473,620.39
Subtotal of cash inflow from operating activities		80,953,073.93	114,098,918.24
Cash paid for purchasing goods and receiving labor services		55,493,018.43	69,851,073.79
Cash paid to and for employees		32,894,116.80	31,619,733.53
Various taxes and fees paid		1,139,849.38	1,076,610.70
Other cash payments related to operating activities		16,633,930.15	50,209,315.10
Subtotal of cash outflows from operating activities		106,160,914.76	152,756,733.12
Net cash flow from operating activities		-25,207,840.83	-38,657,814.88
II. Cash flow from investment activities:			
Cash received from investment			
Cash received from investment income		9,153,400.00	4,500,000.00
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets			31,890.00
Net cash received from disposal of subsidiaries and other business units			
Other cash received relating to investing activities			
Subtotal of cash inflows from investing activities		9,153,400.00	4,531,890.00
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		1,000.00	
Cash Investment			
Net cash paid for acquiring subsidiaries and other business units			
Other cash paid relating to investing activities			
Subtotal of cash outflows from investing activities		1,000.00	
Net cash flows from investing activities		9,152,400.00	4,531,890.00
III. Cash flow from financing activities:			
Absorb cash received from investment			
Cash received from borrowing			95,000,000.00
Other cash receipts related to financing activities		1,000,000.00	
Subtotal of cash inflows from financing activities		1,000,000.00	95,000,000.00
Cash paid for debt repayment			35,057,921.04
Cash paid for dividends, profits, or interest payments		3,492,768.06	729,270.76
Other cash payments related to financing activities		1,738,717.12	41,391,500.00
Subtotal of cash outflows from financing activities		5,231,485.18	77,178,691.80
Net cash flow from financing activities		-4,231,485.18	17,821,308.20
IV. The impact of exchange rate changes on cash and cash equivalents			
		18,860.82	
V. Net increase in cash and cash equivalents			
		-20,268,065.19	-16,304,616.68
Add: the balance of cash and cash equivalents at the beginning of the period		33,541,475.85	24,349,341.34
VI. Balance of cash and cash equivalents at the end of the period			
		13,273,410.66	8,044,724.66

Legal Representative:

Accounting Director:

Accounting Manager:

Consolidated statement of change of equity

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2022

Unit: RMB

Item	Current period											Minority shareholders' equity	Total owner's equity
	Equity attributable to parent company										Subtotal		
	Paid-in capital (or equity)	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit			
	Preferred stock	Perpetual bond	other										
I. Balance at the end of the previous year	215,000,000.00				197,864,174.08		-6,819,637.82		589,559.77	-341,446,683.34	65,187,412.69	79,440,628.67	144,628,041.36
Add: Accounting policy changes													
Correction of previous errors													
Merger of enterprises under the same control													
Others													
II. Balance at the beginning of the year	215,000,000.00				197,864,174.08		-6,819,637.82		589,559.77	-341,446,683.34	65,187,412.69	79,440,628.67	144,628,041.36
III. The amount of increase or decrease in this year (decrease is listed with "-.")							4,964,727.82			-27,711,297.33	-22,746,569.51	-7,787,598.45	-30,534,167.96
(1) Total comprehensive income							4,964,727.82			-27,711,297.33	-22,746,569.51	3,059,001.55	-19,687,567.96
(2) Owner's investment and reduction of capital													
1. Ordinary shares invested by the owner													
2. Capital invested by holders of other equity instruments													
3. The amount of share-based payment included in owner's equity													
4. Other													
(3) Profit distribution												-10,846,600.00	-10,846,600.00
1. Withdraw surplus reserve													
2. Distribution to owners (or shareholders)												-10,846,600.00	-10,846,600.00
3. Others													
(4) Internal transfer of owners' equity													
1. Conversion of capital reserve into capital (or share capital)													
2. Conversion of surplus reserves into capital (or equity)													
3. Surplus reserves make up for losses													
4. Carryover of retained earnings from changes in the defined benefit plan													
5. Other comprehensive income carried forward to retained earnings													
6. Other													
(5) Special reserve													
1. Withdraw special reserves													
2. Use special reserves													
(6) Others													
IV. Balance at the end of the period	215,000,000.00				197,864,174.08		-1,854,910.00		589,559.77	-369,157,980.67	42,440,843.18	71,653,030.22	114,093,873.40

Legal Representative:

Accounting Director:

Accounting Manager:

Consolidated statement of change of equity(Continued)

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2022

Unit: RMB

Item	Preceding period												
	Equity attributable to parent company										Minority shareholders' equity	Total owner's equity	
	Paid-in capital (or equity)	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit			Subtotal
	Preferred stock	Perpetual bond	other										
I. Balance at the end of the previous year	215,000,000.00				183,568,842.44		-6,853,931.65		589,559.77	-202,680,309.64	189,624,160.92	106,810,900.88	296,435,061.80
Add: Accounting policy changes													
Correction of previous errors													
Merger of enterprises under the same control													
Others													
II. Balance at the beginning of the year	215,000,000.00				183,568,842.44		-6,853,931.65		589,559.77	-202,680,309.64	189,624,160.92	106,810,900.88	296,435,061.80
III. The amount of increase or decrease in this year (decrease is listed with "-")					12,717,639.48		961,946.58			-29,593,867.19	-15,914,281.13	-19,119,387.72	-35,033,668.85
(1) Total comprehensive income							961,946.58			-29,593,867.19	-28,631,920.61	4,444,852.76	-24,187,067.85
(2) Owner's investment and reduction of capital					12,717,639.48						12,717,639.48	-12,717,640.48	-1.00
1. Ordinary shares invested by the owner													
2. Capital invested by holders of other equity instruments													
3. The amount of share-based payment included in owner's equity													
4. Other					12,717,639.48						12,717,639.48	-12,717,640.48	-1.00
(3) Profit distribution												-10,846,600.00	-10,846,600.00
1. Withdraw surplus reserve													
2. Distribution to owners (or shareholders)												-10,846,600.00	-10,846,600.00
3. Others													
(4) Internal transfer of owners' equity													
1. Conversion of capital reserve into capital (or share capital)													
2. Conversion of surplus reserves into capital (or equity)													
3. Surplus reserves make up for losses													
4. Carryover of retained earnings from changes in the defined benefit plan													
5. Other comprehensive income carried forward to retained earnings													
6. Other													
(5) Special reserve													
1. Withdraw special reserves													
2. Use special reserves													
(6) Others													
IV. Balance at the end of the period	215,000,000.00				196,286,481.92		-5,891,985.07		589,559.77	-232,274,176.83	173,709,879.79	87,691,513.16	261,401,392.95

Legal Representative:

Accounting Director:

Accounting Manager:

Consolidated statement of change of equity of Parent Co.

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2022

Unit: RMB

Item	Current period										
	Paid-in capital (or equity)	Other equity instruments			Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit	Total owner's equity
		Preferred stock	Perpetual bond	other							
I. Balance at the end of the previous year	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-416,697,351.22	-44,098,659.12
Add: Accounting policy changes											
Correction of previous errors											
Others											
II. Balance at the beginning of the year	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-416,697,351.22	-44,098,659.12
III. The amount of increase or decrease in this year (decrease is listed with "-")										-16,298,703.57	-16,298,703.57
(1) Total comprehensive income										-16,298,703.57	-16,298,703.57
(2) Owner's investment and reduction of capital											
1. Ordinary shares invested by the owner											
2. Capital invested by holders of other equity instruments											
3. The amount of share-based payment included in owner's equity											
4. Other											
(3) Profit distribution											
1. Withdraw surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											
(4) Internal transfer of owners' equity											
1. Conversion of capital reserve into capital (or share capital)											
2. Conversion of surplus reserves into capital (or equity)											
3. Surplus reserves make up for losses											
4. Carryover of retained earnings from changes in the defined benefit plan											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(5) Special reserve											
1. Withdraw special reserves											
2. Use special reserves											
(6) Others											
IV. Balance at the end of the period	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-432,996,054.79	-60,397,362.69

Legal Representative:

Accounting Director:

Accounting Manager:

Consolidated statement of change of equity of Parent Co.(Continued)

Preparation unit: Nanjing Putian Telecommunications Co., Ltd.

From January to June 2022

Unit: RMB

Item	Paid-in capital (or equity)	Other equity instruments			Preceding period						
		Preferred stock	Perpetual bond	other	Capital reserve	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserve	undistributed profit	Total owner's equity
I. Balance at the end of the previous year	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-290,016,155.43	82,582,536.67
Add: Accounting policy changes											
Correction of previous errors											
Others											
II. Balance at the beginning of the year	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-290,016,155.43	82,582,536.67
III. The amount of increase or decrease in this year (decrease is listed with "-")										-21,655,129.79	-21,655,129.79
(1) Total comprehensive income										-21,655,129.79	-21,655,129.79
(2) Owner's investment and reduction of capital											
1. Ordinary shares invested by the owner											
2. Capital invested by holders of other equity instruments											
3. The amount of share-based payment included in owner's equity											
4. Other											
(3) Profit distribution											
1. Withdraw surplus reserve											
2. Distribution to owners (or shareholders)											
3. Others											
(4) Internal transfer of owners' equity											
1. Conversion of capital reserve into capital (or share capital)											
2. Conversion of surplus reserves into capital (or equity)											
3. Surplus reserves make up for losses											
4. Carryover of retained earnings from changes in the defined benefit plan											
5. Other comprehensive income carried forward to retained earnings											
6. Other											
(5) Special reserve											
1. Withdraw special reserves											
2. Use special reserves											
(6) Others											
IV. Balance at the end of the period	215,000,000.00				158,864,042.34		-1,854,910.00		589,559.76	-311,671,285.22	60,927,406.88

Legal Representative:

Accounting Director:

Accounting Manager:

Nanjing Putian Telecommunications Co., Ltd.

Notes to Financial Statements

Monetary unit: RMB Yuan

I. Company profile

Nanjing Putian Telecommunications Co., Ltd. (the “Company”), whose predecessor is Nanjing Telecommunication Facility Factory, was established as a limited liability company through financing under the approval of National Economic Institutional Reform Commission with document of approval numbered TGS [1997] 28 dated March 21, 1997. The Company is headquartered in Nanjing City, Jiangsu Province. Currently it holds a business license with unified social credit code of 91320000134878054G, with registered capital of 215,000,000.00 yuan, total share of 215,000,000.00 shares, with par value of 1 yuan per share. Among them, 115,000,000 shares are state-owned legal person shares, and 100,000,000 shares are B shares. The Company was listed on the Shenzhen Stock Exchange on May 22, 1997.

The Company belongs to telecommunication equipment manufacture industry and is mainly engaged in R&D, production, and sale of data, wire and wireless telecommunication equipment, distribution and allocation of layout of telecommunication product, multimedia computer, digital television, vehicle electronics and conference video system. R & D, manufacturing and sales of new energy vehicle charging products and their accessories (including electric vehicle charger charging module, charging station system, split charging cabinet, outdoor integrated pile, various AC and DC charging piles and other accessories); Design and sales of new energy charging and discharging overall solutions; Electric vehicle charging operation and maintenance. R & D and sales of software and intelligent software platform. Smart city, smart elderly care and other industry information services. R & D, manufacturing, sales, installation and service of video equipment and video conference system. Agent sales of communication modified vehicles (excluding wholesale), and provide corresponding after-sales service. Design, system integration and related consulting services of communication information network engineering and computer information system engineering. Design, construction, installation and service of building intelligent system engineering. Lease of self owned assets such as houses and equipment.

The financial statements have been deliberated and approved for issue by the Board of

Directors dated August 19, 2022.

The Company has brought 8 subsidiaries including Nanjing Southern Telecom Co., Ltd, and Nanjing PutianTelege Intelligent Building Co., Ltd. etc. into the consolidated scope. Please refer to notes of VI and VII for details.

II. Preparation basis of the financial statements

(I) Preparation basis

The financial statements of the Company are prepared on the basis of going concern, based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises-Basic Standards and specific Accounting Standards promulgated by the Ministry of Finance (hereinafter collectively referred to as the "Accounting Standards for Business Enterprises") and based on the important accounting policies and accounting estimates described below.

(II) Assessment of the ability to continue as a going concern

The Company has no events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern within the 12 months after the balance sheet date.

III. Significant accounting policies and estimates

Important note: The Company has formulated specific accounting policies and estimates for transactions or matters such as impairment of financial instruments, depreciation of fixed assets, amortization of intangible assets and revenue recognition according to the actual characteristics of production and operation.

(I) Statement of compliance

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and truly and completely reflect the financial position of the Company as of June 30, 2022, the operating results and cash flows of the year from January to June 2022 and other relevant information.

(II) Accounting period

The accounting year of the Company runs from January 1 to December 31 under the Gregorian calendar.

(III) Operating cycle

The Company has a relatively short operating cycle for its business, an asset or a liability is

classified as current if it is expected to be realized or due within 12 months.

(IV) Functional currency

The Company's functional currency is Renminbi (RMB) Yuan.

(V) Accounting treatments of business combination under and not under common control

1. Accounting treatment of business combination under common control

Of a long-term equity investment under the same control enterprise merger form combined party to pay in cash, transfers non-cash assets or bear debt, as a merger of consideration, the company owners' equity on the combining date according to the combined party on the final the share of the book value of the control side of the consolidated financial statements as the initial cost of the long-term equity investment. If the merging party issues equity instruments as the merger consideration, the total par value of the issued shares shall be used as the share capital. The difference between the initial investment cost of long-term equity investment and the book value of the combined consideration (or the total face value of the issued shares) shall be adjusted to the capital reserve; If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

2. Accounting treatment of business combination not under common control

For business combinations not under the same control, the merger cost is the sum of the fair value of the assets paid by the purchaser, the liabilities incurred or assumed and the equity securities issued by the purchaser on the purchase date in order to gain control over the acquired purchaser. The identifiable assets, liabilities and contingent liabilities of the purchased party that are acquired in a business combination under different control and meet the recognition conditions shall be measured at fair value on the purchase date. The difference between the buyer's cost of the merger and the fair value share of the identifiable net assets of the acquiree obtained in the merger is reflected as the value of goodwill. If the merger cost is less than the fair value share of the identifiable net assets of the acquiree obtained in the merger, the difference between the merger cost and the fair value share of the identifiable net assets of the acquiree obtained in the merger shall be included in the non-operating income of the current period.

(VI) Compilation method of consolidated financial statements

The parent company brings all its controlled subsidiaries into the consolidation scope. The consolidated financial statements are compiled by the parent company according to "CASBE 33 –

Consolidated Financial Statements”, based on relevant information and the financial statements of the parent company and its subsidiaries.

(VII) Classification of joint arrangements and accounting treatment of joint operations

1. Classification of joint venture arrangements

Joint venture arrangement is divided into joint venture and joint venture. If the joint venture arrangement is not reached by a single entity, it shall be classified as joint operation. A separate subject refers to a subject with a separate identifiable financial structure, including a separate legal entity and a subject without legal entity qualification but recognized by law. A joint venture arrangement through a separate entity, usually classified as a joint venture. Where the rights and obligations of the party under the joint venture arrangement have changed due to changes in relevant facts and circumstances, the party shall reassess the classification of the joint venture arrangement.

2. Accounting for joint operations

As a participant in the joint operation, the Company shall recognize the following items related to the share of interests in the joint operation and conduct accounting treatment in accordance with the relevant accounting standards for enterprises: recognize the assets or liabilities held separately and recognize the assets or liabilities held jointly according to the share; Recognize the revenue generated from the sale of the share of output enjoyed by the joint operation; To recognize the revenue generated by the sale of the output of the joint operation according to its share; Recognize expenses incurred separately and expenses incurred in joint operations by share.

The Company is a participant without joint control over the joint operation. If the company enjoys the relevant assets of the joint operation and bears the relevant liabilities of the joint operation, it shall conduct accounting treatment according to the provisions of the joint operation participant; Otherwise, according to the provisions of the relevant enterprise accounting standards for accounting treatment.

3. Accounting treatment of joint venture

The company is the joint venture party, in accordance with the "Accounting Standards for Enterprises No. 2 - Long-term Equity investment" for the joint venture investment accounting

treatment; The Company is not a joint venture party, according to the extent of the impact on the joint venture accounting treatment.

(VIII) Recognition criteria of cash and cash equivalents

Cash as presented in cash flow statement refers to cash on hand and deposit on demand for payment. Cash equivalents refer to short-term, highly liquid investments that can be readily converted to cash and that are subject to an insignificant risk of changes in value.

(IX) Foreign currency translation

1. Translation of foreign currency business

When a foreign currency transaction is initially recognized, it shall be converted into RMB amount at the spot rate on the date of transaction. On the balance sheet date, foreign currency monetary items shall be converted at the spot exchange rate on the balance sheet date. The exchange difference due to different exchange rates shall be recorded into current profit and loss, except for the exchange difference of principal and interest of foreign currency special borrowings related to the purchase and construction of assets eligible for capitalization. Foreign currency non-monetary items measured at historical cost shall still be converted at the spot exchange rate on the date of transaction without changing the RMB amount; Foreign currency non-monetary items measured at fair value shall be converted at the spot exchange rate on the date of determination of fair value, and the difference shall be included in current profits and losses or other comprehensive income.

2. Translation of financial statements measured in foreign currency

The assets and liabilities in the balance sheet are translated into RMB at the spot rate at the balance sheet date; the equity items, other than undistributed profit, are translated at the spot rate at the transaction date; the revenues and expenses in the income statement are translated into RMB at the spot exchange rate at the transaction date. The difference arising from the aforementioned foreign currency translation is included in other comprehensive income.

(X) Financial instruments

1. Classification of financial assets and financial liabilities

Financial assets are classified into the following three categories when initially recognized: (1) financial assets at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

Financial liabilities are classified into the following four categories when initially recognized: (1) 17 financial liabilities at fair value through profit or loss; (2) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies; (3) financial guarantee contracts not fall within the above categories (1) and (2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category (1); (4) financial liabilities at amortized cost.

2. Recognition criteria, measurement method and derecognition condition of financial assets and financial liabilities

(1) Recognition criteria and measurement method of financial assets and financial liabilities

When the Company becomes a party to a financial instrument, it is recognized as a financial asset or financial liability. The financial assets and financial liabilities initially recognized by the Company are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount. However, at initial recognition, for accounts receivable that do not contain a significant financing component or contracts in which the financing components with associated period less than one year are not considered, the Company measures at their transaction price in accordance with “CASBE 14 – Revenues”.

(2) Subsequent measurement of financial assets

1) Financial assets measured at amortized cost The Company measures its financial assets at the amortized costs using effective interest method. Gains or losses on financial assets that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial assets are derecognized, reclassified, amortized using effective interest method or recognized with impairment loss.

2) Debt instrument investments at fair value through other comprehensive income The Company measures its debt instrument investments at fair value. Interests, impairment gains or losses, and gains and losses on foreign exchange that calculated using effective interest method shall be included into profit or loss, while other gains or losses are included into other comprehensive

income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into profit or loss when the financial assets are derecognized.

3) Equity instrument investments at fair value through other comprehensive income The Company measures its equity instrument investments at fair value. Dividends obtained (other than those as part of investment cost recovery) shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into retained earnings when the financial assets are derecognized.

4) Financial assets at fair value through profit or loss Nanjing Putian Telecommunications Co., Ltd. 2021 Annual Report 136 The Company measures its financial assets at fair value. Gains or losses arising from changes in fair value (including interests and dividends) shall be included into profit or loss, except for financial assets that are part of hedging relationships.

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities (including derivatives that are liabilities) and financial liabilities designated as at fair value through profit or loss. The Company measures such kind of liabilities at fair value. The amount of changes in the fair value of the financial liabilities that are attributable to changes in the Company's own credit risk shall be included into other comprehensive income, unless such treatment would create or enlarge accounting mismatches in profit or loss. Other gains or losses on those financial liabilities (including interests, changes in fair value that are attributable to reasons other than changes in the Company's own credit risk) shall be included into profit or loss, except for financial liabilities that are part of hedging relationships. Accumulated gains or losses that originally recognized as other comprehensive income should be transferred out into retained earnings when the financial liabilities are derecognized.

2) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies The Company measures its financial liabilities in accordance with "CASBE 23 – Transfer of Financial Assets".

3) Financial guarantee contracts not fall within the above categories 1) and 2), and

commitments to provide a loan at a below-market interest rate, which do not fall within the above category 1) The Company measures its financial liabilities at the higher of: a. the amount of loss allowances in accordance with impairment requirements of financial instruments; b. the amount initially recognized less the amount of accumulated amortization recognized in accordance with “CASBE 14 – Revenues”.

4) Financial liabilities at amortized cost The Company measures its financial liabilities at amortized cost using effective interest method. Gains or losses on financial liabilities that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial liabilities are derecognized and amortized using effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

a. the contractual rights to the cash flows from the financial assets expire;

b. the financial assets have been transferred and the transfer qualifies for derecognition in accordance with “CASBE 23 – Transfer of Financial Assets”.

2) Only when the underlying present obligations of a financial liability are relieved totally or partly may the financial liability be derecognized accordingly.

3. Recognition criteria and measurement method of financial assets transfer

Where the Company has transferred substantially all of the risks and rewards related to the ownership of the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it continues recognizing the financial asset. Where the Company does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, it is dealt with according to the circumstances as follows respectively: (1) if the Company does not retain its control over the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability; (2) if the Company retains its control over the financial asset, according to the extent of its continuing involvement in the transferred financial asset, it recognizes the related financial asset and recognizes the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the amounts of the following two items are included in profit or loss: (1) the carrying amount of the transferred financial asset as of the date of derecognition; (2) the sum of consideration received from the transfer of the financial asset, and the accumulative amount of the changes of the fair value originally included in other comprehensive income proportionate to the transferred financial asset (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income). If the transfer of financial asset partially satisfies the conditions to derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the amounts of the following two items are included into profit or loss: (1) the carrying amount of the portion which is derecognized; (2) the sum of consideration of the portion which is derecognized, and the portion of the accumulative amount of the changes in the fair value originally included in other comprehensive income which is corresponding to the portion which is derecognized (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income).

4. Fair value determination method of financial assets and liabilities

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value. The inputs to valuation techniques used to measure fair value are arranged in the following hierarchy and used accordingly:

(1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date.

(2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active Nanjing Putian Telecommunications Co., Ltd. 2021 Annual Report 138 markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, for example, interest rates and yield curves observable at commonly quoted intervals; market-corroborated inputs;

(3) Level 3 inputs are unobservable inputs for the asset or liability. Level 3 inputs include interest rate that is not observable and cannot be corroborated by observable market data at commonly quoted intervals, historical volatility, future cash flows to be paid to fulfill the disposal obligation assumed in business combination, and financial forecast developed using the Company's own data, etc.

5. Impairment of financial instruments

(1) Measurement and accounting treatment

The Company, on the basis of expected credit loss, recognizes loss allowances of financial assets at amortized cost, debt instrument investments, contract assets or leases receivable at fair value through other comprehensive income, loan commitments other than financial liabilities at fair value through profit or loss, financial guarantee contracts not belong to financial liabilities at fair value through profit or loss or financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

Expected credit losses refer to the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Among which, purchased or originated credit-impaired financial assets are discounted at the credit-adjusted effective interest rate.

At the balance sheet date, the Company shall only recognize the cumulative changes in the lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

For accounts receivable and contract assets that do not contain a significant financing component or financing components in contracts with associated period less than one year that are not considered by the Company, which result from transactions as regulated in —CASBE 14 – Revenues , the Company chooses simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial assets other than the above, on each balance sheet date, the Company shall

assess whether the credit risk on the financial instrument has increased significantly since initial recognition. The Company shall measure the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition; otherwise, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

Considering reasonable and supportable forward-looking information, the Company compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition, so as to assess whether the credit risk on the financial instrument has increased significantly since initial recognition.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have relatively low credit risk at the balance sheet date.

The Company shall estimate expected credit risk and measure expected credit losses on an individual or a collective basis. When the Company adopts the collective basis, financial instruments are grouped with similar credit risk features.

The Company shall remeasure expected credit loss on each balance sheet date, and increased or reversed amounts of loss allowance arising therefrom shall be included into profit or loss as impairment losses or gains. For a financial asset measured at amortized cost, the loss allowance reduces the carrying amount of such financial asset presented in the balance sheet; for a debt investment measured at fair value through other comprehensive income, the loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of such financial asset.

(2) Financial instruments with expected credit risk assessed and expected credit losses measured on a collective basis

Items	Basis for determination of portfolio	Method for measuring expected credit loss
Other receivables – Portfolio grouped with consolidated related parties	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, calculate expected credit
Other receivables – Portfolio grouped with deposit receivables		

Other receivables – Portfolio grouped with export tax rebate		loss through exposure at default and 12-month or lifetime expected credit loss rate.
Other receivables – Other portfolio		

(3) Accounts receivable and contract assets with expected credit losses measured on a collective basis

1) Specific portfolios and method for measuring expected credit loss

Items	Basis for determination of portfolio	Method for measuring expected credit loss
Bank acceptance receivable	Type of notes	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, calculate expected credit loss through exposure at default and lifetime expected credit loss rate.
Trade acceptance receivable		
Accounts receivable –Portfolio grouped with consolidated related parties	Consolidated related parties	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, prepare the comparison table of overdue ages and lifetime expected credit loss rate of accounts receivable, so as to calculate expected credit loss.
Accounts receivable – Portfolio Aging	Aging	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, calculate expected credit loss through aging of receivables and lifetime expected credit loss rate.

2) Accounts receivable – comparison table of ages and lifetime expected credit loss rate of portfolio grouped with ages

Ages	Expected credit loss rate (%)
Within 1 year (inclusive, the same hereinafter)	1.00
1-2 years	5.00
2-3 years	10.00
3-4 years	30.00
4-5 years	50.00
Over 5 years	100.00

6. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, the Company offsets a financial asset and a financial liability and presents the net amount in the balance sheet when, and only when, the Company: (a) currently has a legally enforceable right to set off the recognized amounts; and (b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

For a transfer of a financial asset that does not qualify for derecognition, the Company does

not offset the transferred asset and the associated liability.

(XI) Inventories

1. Classification of inventories

Inventories include finished goods or goods held for sale in the ordinary course of business, work in process in the process of production, and materials or supplies etc. to be consumed in the production process or in the rendering of services.

2. Accounting method for dispatching inventories:

Inventories dispatched from storage are accounted for with weighted average method.

3. Basis for determining net realizable value

At the balance sheet date, inventories are measured at the lower of cost and net realizable value; provisions for inventory write-down are made on the excess of its cost over the net realizable value. The net realizable value of inventories held for sale is determined based on the amount of the estimated selling price less the estimated selling expenses and relevant taxes and surcharges in the ordinary course of business; the net realizable value of materials to be processed is determined based on the amount of the estimated selling price less the estimated costs of completion, selling expenses and relevant taxes and surcharges in the ordinary course of business; at the balance sheet date, when only part of the same item of inventories have agreed price, their net realizable value is determined separately and is compared with their costs to set the provision for inventory write-down to be made or reversed.

4. Inventory system

Perpetual inventory method is adopted.

5. Amortization method of low-value consumables and packages

(1) Low-value consumables

Low-value consumables are amortized with one-off method.

(2) Packages

Packages are amortized with one-off method.

(XII) Contract assets and contract liabilities

1. Contract assets

The Company presents as a contractual asset the right to receive consideration for goods or

services transferred to the Customer, subject to factors other than the passage of time. Provision for impairment of contracted assets shall be made according to the expected credit loss method of financial instruments. For contract assets that do not contain a material financing component, the Company adopts a simplified method to measure loss provisions. For contract assets that contain significant financing components, the Company measures loss provisions in accordance with the general method.

In case of impairment loss on contract assets, "asset impairment loss" shall be debited according to the amount to be written down, and the impairment provision for contract assets shall be credited; The reverse entry is made when the asset impairment provision has been transferred back.

2. Contract liabilities

Obligations of the Company to transfer goods or services to the Customer for consideration received or receivable from the customer shall be listed as contractual liabilities.

The Company presents contractual assets and contractual liabilities under the same contract on a net basis.

(XIII) Long-term equity investments

1. Initial investment cost determination

For the long-term equity investment obtained from the enterprise merger, if the enterprise merger is under the same control, the initial investment cost of the long-term equity investment shall be taken as the share of the owner's equity of the merged party in the book value of the final controlling party's consolidated financial statements on the merger date; In the case of enterprise merger not under the same control, the initial investment cost of long-term equity investment shall be taken as the merger cost determined on the purchase date; For long-term equity investment obtained by cash payment, the initial investment cost is the actual purchase price paid; For the long-term equity investment obtained by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued; The initial cost of long-term equity investment obtained through debt restructuring shall be determined in accordance with the relevant provisions of Accounting Standards for Enterprises "CASBE 12 – Debt Restructuring"; For long-term equity

investment obtained by exchange of non-monetary assets, the initial investment cost shall be determined in accordance with relevant provisions of Accounting Standards for Business Enterprises “CASBE 7 – Non-cash Assets Exchange”.

2. Subsequent measurement and recognition method of profit or loss

For long-term equity investments with control relationship, it is accounted for with cost method; for long-term equity investments with joint control or significant influence relationship, it is accounted for with equity method. The company for equity investment consortium, one part of through risk investment institutions, mutual funds, trust companies or similar subject, including cast the insurance fund, indirect holding, whether the above subject has a significant influence on this part of the investment, the company in accordance with the accounting standards for enterprises “CASBE 22 – Financial Instruments: Recognition and Measurement”, and the rest of the equity method accounting.

3. Determine the basis of joint control and significant influence on the invested entity

Of the invested entity has joint control, refers to an arrangement returns have a significant impact on activity must go through the participants agreed to share control decisions, including the sale and purchase of goods or services, financial assets management, purchase and disposal of the assets, research and development activities, and financing activities, etc.; Having a significant influence on the invested entity refers to having a significant influence when holding more than 20% to 50% of the voting capital of the invested entity. Or, although less than 20%, has a significant impact if one of the following conditions is met: representation on the board of directors or a similar authority of the invested entity; To participate in the policy making process of the investee; Dispatching management personnel to the invested units; The invested entity relies on the technology or technical data of the investment company; Having important transactions with the invested units.

(XIV) Investment property

Investment property includes land use right of leased-out property and buildings that have been leased out. The initial measurement of investment property is based on its cost, and subsequent measurement is made using the cost model, the depreciation or amortization method is the same as that of fixed assets.

(XV) Fixed assets

1. Recognition principles of fixed assets

Fixed assets are tangible assets held for use in the production of goods or rendering of services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year. Fixed assets are recognized if, and only if, it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

2. Depreciation method of different categories of fixed assets

The company's fixed assets are mainly divided into: buildings and structures, machinery, electronic equipment, transport facilities, etc. The depreciation method adopts the average life method. The service life and estimated net salvage value of fixed assets shall be determined according to the nature and usage of various types of fixed assets. At the end of the year, the service life, estimated net salvage value and depreciation method of the fixed assets shall be rechecked. If there is any difference from the original estimate, corresponding adjustment shall be made. In addition to the fixed assets that have been fully depreciated but are still in use and the land that is separately priced and recorded, the Company will calculate and depreciate all the fixed assets.

Categories	Useful life (years)	Estimated residual value proportion (%)	Annual depreciation rate (%)
Buildings and structures	15-35	3.00	2.77-6.47
Machinery	10-15	3.00	6.47-9.70
Electronic equipment	4-11	3.00	8.82-24.25
Transport facilities	6-8	3.00	12.13-16.17
Other equipment	4-11	3.00	8.82-24.25

(XVI) Construction in progress

1. Construction in progress is recognized if, and only if, it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

2. Construction in progress is transferred into fixed assets at its actual cost when it reaches the designed usable conditions. When the auditing of the construction in progress was not finished while reaching the designed usable conditions, it is transferred to fixed assets using estimated value first,

and then adjusted accordingly when the actual cost is settled, but the accumulated depreciation is not to be adjusted retrospectively.

(XVII) Intangible assets

1. The valuation method of intangible assets

The Company's intangible assets are initially measured at cost. The purchased intangible assets shall be regarded as the actual cost according to the actual price paid and related expenses. The actual cost of intangible assets invested by investors shall be determined according to the value stipulated in the investment contract or agreement, but if the value stipulated in the contract or agreement is unfair, the actual cost shall be determined according to the fair value. For self-developed intangible assets, the cost shall be the total amount of expenses incurred before reaching the intended use.

The Company's subsequent measurement methods for intangible assets are as follows: Intangible assets with limited service life shall be amortized by the straight-line method, and the service life and amortization method of intangible assets shall be rechecked at the end of the year. If there is any difference from the original estimate, corresponding adjustment shall be made; Intangible assets with uncertain service life are not amortized, but at the end of the year, the service life shall be rechecked. When there is conclusive evidence that the service life is limited, the service life shall be estimated and amortized according to the straight-line method.

Intangible assets with limited useful life are amortized as follows:

Items	Amortization period (years)	Amortization method
Software	3-10	straight-line method
patent right and non-patented technology	5-10	straight-line method
land use right	40-50	straight-line method

2. The judgment basis of uncertain service life

The Company will not be able to foresee the period of time that the asset will bring economic benefits to the Company, or the intangible assets with uncertain service life are identified as intangible assets with uncertain service life. The judgment basis of uncertain service life is: it comes from contractual rights or other legal rights, but the contract or legal provisions do not specify the service life; Based on the industry situation or relevant experts' arguments, it is still impossible to

judge the period when intangible assets bring economic benefits to the company.

At the end of each year, the service life of intangible assets with uncertain service life is reviewed, mainly in a bottom-up way. The departments related to the use of intangible assets conduct basic review to evaluate whether the judgment basis of uncertain service life has changed.

3. Specific criteria for research and development stages of internal research and development projects, as well as specific criteria for development stage expenditures to meet the capitalization conditions

Expenditure in the research phase of internal research and development projects shall be recorded into current profits and losses when incurred; The expenditure in the development stage shall be transferred to the accounting of intangible assets if it meets the conditions of being recognized as intangible assets.

(XVIII) Impairment of part of long-term assets

If long-term equity investment, investment real estate measured by the cost model, fixed assets, intangible assets of construction in progress and other long-term assets show signs of impairment on the balance sheet date, the impairment test shall be conducted. If the result of the impairment test shows that the recoverable amount of the asset is lower than its carrying value, the impairment reserve shall be calculated and booked into the impairment loss according to the difference.

The recoverable amount is the higher between the net fair value of the asset less the disposal charge and the present value of the expected future cash flows of the asset. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined based on the asset group to which the asset belongs. An asset group is the smallest set of assets that can independently generate cash inflows.

Goodwill shown separately in the financial statements, regardless of whether there is evidence of impairment, shall be tested for impairment at least annually. In the impairment test, the carrying value of goodwill is apportion to the group of assets or combination of asset groups expected to benefit from the synergies of the business combination. If the test results show that the recoverable amount of the asset group or the asset group combination containing the apportion of goodwill is lower than its carrying value, the corresponding impairment loss shall be

recognized. The amount of impairment loss shall first offset the book value of goodwill apportion to the asset group or asset group combination, and then offset the book value of other assets in proportion to the proportion of the book value of assets other than goodwill in the asset group or asset group combination.

Once the above-mentioned asset impairment loss is recognized, the part whose value can be recovered shall not be transferred back in the following period.

(XIX) Long-term prepayments

Long-term prepayments are expenses that have been recognized but with amortization period over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial to the following accounting periods, residual values of such items are included in profit or loss.

(XX) Employee benefits

Employee benefits refers to various forms of remuneration or compensation provided by the Company for obtaining services provided by employees or for terminating labor relations. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

1. Short-term employee benefits

During the accounting period when employees provide services for the company, the actual short-term compensation is recognized as liabilities and booked into the current profits and losses, except for those required or allowed to be booked into the cost of assets by the accounting standards for enterprises. The employee welfare expense incurred by the Company shall be included in the current profit and loss or the cost of relevant assets according to the actual amount when it is actually incurred. If the employee welfare fee is non-monetary welfare, it shall be measured at fair value. The company for the medical treatment insurance premium of worker pay, industrial injury insurance, birth insurance premium of social insurance premiums and housing accumulation fund, and according to the rules extraction of the trade union and employee education funds and provide services in the workers of the accounting period, according to the provisions stipulated in the basic and provision ratio calculate and determine the corresponding compensation amount, and confirm corresponding liabilities, Include current profit or loss or related asset cost.

2. Post-employment benefits

During the accounting period when employees provide services, the payable amount calculated according to the set depository plan shall be recognized as liabilities and recorded into the current profit and loss or the cost of relevant assets. According to the formula determined by the expected cumulative benefit unit method, the welfare obligation arising from the set benefit plan shall be attributed to the period of service provided by the employee, and shall be included in the current profit and loss or the cost of relevant assets.

3. Termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: a. when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or b. when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

4. Other long-term employee benefits

Other long-term employee benefits provided by the company to the employees that meet the conditions for setting up an escrow plan shall be dealt with in accordance with the provisions on setting up an escrow plan; In addition, identify and measure other long-term employee benefit net liabilities or net assets according to the relevant provisions of the defined benefit plan.

(XXI) Provisions

An obligation related to a contingent event is recognized as a projected liability when it is a current obligation undertaken by the Company and the performance of the obligation is likely to result in an outflow of economic benefits and the amount of the obligation can be measured reliably. The Company shall make initial measurement according to the best estimate of the expenditure required to fulfill the relevant current obligations. If there exists a continuous range of expenditure required and various outcomes within the range are equally likely to occur, the best estimate shall be determined as the intermediate value within the range; If more than one project is involved, calculate the best estimate based on the various possible outcomes and the associated probabilities.

On the balance sheet date, the book value of the projected liabilities shall be reviewed. If there is conclusive evidence that the book value does not truly reflect the current best estimate, the book

value shall be adjusted according to the current best estimate.

(XXII) Revenue

1. Revenue recognition principles

At contract inception, the Company shall assess the contracts and shall identify each performance obligation in the contracts, and determine whether the performance obligation should be satisfied over time or at a point in time.

The Company satisfies a performance obligation over time if one of the following criteria is met, otherwise, the performance obligation is satisfied at a point in time: (1) the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs; (2) the customer can control goods as they are created by the Company's performance; (3) goods created during the Company's performance have irreplaceable uses and the Company has an enforceable right to receive the payments for performance completed to date during the whole contract period.

For each performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. In the circumstance that the progress cannot be measured reasonably, but the costs incurred in satisfying the performance obligation are expected to be recovered, the Company shall recognize revenue only to the extent of the costs incurred until it can reasonably measure the progress. For each performance obligation satisfied at a point in time, the Company shall recognize revenue at the time point that the client obtains control of relevant goods or services. To determine whether the customer has obtained control of goods, the Company shall consider the following indications: (1) the Company has a present right to payment for the goods, i.e., the customer is presently obliged to pay for the goods; (2) the Company has transferred the legal title of the goods to the customer, i.e., the customer has legal title to the goods; (3) the Company has transferred physical possession of the goods to the client, i.e., the customer has physically possessed the goods; (4) the Company has transferred significant risks and rewards of ownership of the goods to the client, i.e., the customer has obtained significant risks and rewards of ownership of the goods; (5) the customer has accepted the goods; (6) other evidence indicating the customer has obtained control over the goods.

2. Revenue measurement principle

(1) Revenue is measured at the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer.

(2) If the consideration promised in a contract includes a variable amount, the Company shall confirm the best estimate of variable consideration at expected value or the most likely amount. However, the transaction price that includes the amount of variable consideration only to the extent that it is high probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(3) In the circumstance that the contract contains a significant financing component, the Company shall determine the transaction price based on the price that a customer would have paid for if the customer had paid cash for obtaining control over those goods or services. The difference between the transaction price and the amount of promised consideration is amortized under effective interest method over contractual period. The effects of a significant financing component shall not be considered if the Company expects, at the contract inception, that the period between when the customer obtains control over goods or services and when the customer pays consideration will be one year or less.

(4) For contracts containing two or more performance obligations, the Company shall determine the stand-alone selling price at contract inception of the distinct good underlying each performance obligation and allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

3. Revenue recognition method

The Company's main product is the Video conference products, integrated wiring products, low voltage distribution products, wiring products and other products. The above-mentioned product sales business of the company belongs to the performance obligation performed at a certain time point, and the revenue is recognized when the customer collects, has collected the price or obtained

the right to collect and the relevant economic benefits are likely to flow in.

(XXIII) Contract cost

The contract cost of the Company includes the incremental cost incurred to obtain the contract and the contract performance cost. Incremental costs incurred to acquire a contract ("contract acquisition costs") are costs that would not have been incurred otherwise. If the cost is expected to be recovered, the Company will recognize it as a contract acquisition cost as an asset.

The cost incurred by the Company to perform the contract, which does not fall within the scope of accounting standards for enterprises such as inventory and meets the following conditions at the same time, shall be recognized as an asset as the contract performance cost:

1. The costs are directly related to a current or expected contract and include direct labor, direct materials, manufacturing expenses (or similar expenses), costs expressly borne by the User and other costs incurred solely as a result of the contract;
2. The cost increases the Company's resources for future performance obligations;
3. This cost is expected to be recovered.

The Company will recognize the contract performance costs as assets, the amortization period of the initial recognition does not exceed one year or a normal business cycle, in the balance sheet into the "inventory" item; If the amortization period is more than one year or one normal operating cycle at the time of initial recognition, "other non-current assets" will be included in the balance sheet.

The Company shall record the acquired costs of contracts recognized as assets into the "other current assets" item in the balance sheet if the amortization period at the initial recognition does not exceed one year or one normal operating cycle. If the amortization period is more than one year or one normal operating cycle at the time of initial recognition, "other non-current assets" will be included in the balance sheet.

The Company amortizes the assets recognized for contract acquisition cost and contract performance cost (hereinafter referred to as "assets related to contract cost") on the same basis as the commodity revenue recognized for the assets and records them into the current profit and loss. If the amortization period of the asset formed by the incremental cost of acquiring the contract

does not exceed one year, it shall be included in the current profit and loss at the time of occurrence.

If the carrying value of the asset related to the contract cost is higher than the difference between the following two items, the Company will calculate and withdraw the excess part of the impairment reserve and recognize it as the asset impairment loss:

1. The remaining consideration expected to be obtained from the transfer of commodities related to the asset;

2. Estimate the cost to be incurred for the transfer of the related goods.

If the difference between the foregoing two items is higher than the carrying value of the asset due to the change of the factors of impairment in the previous period, it shall revert to the original provision for asset impairment and be included in the current profit and loss, provided that the carrying value of the asset after the reversal shall not exceed the carrying value of the asset on the date of reversal assuming no provision for impairment.

(XXIV) Government grants

1. Types of government subsidies and accounting treatment

Government subsidy refers to the monetary assets or non-monetary assets that the Company obtains free of charge from the government (but does not include the capital invested by the government as the owner). If the government subsidy is a monetary asset, it shall be measured according to the amount received or receivable. Where government subsidies are non-monetary assets, they shall be measured at fair value; If the fair value cannot be obtained reliably, it shall be measured according to the nominal amount.

Government subsidies related to daily activities shall be included in other income according to the economic business essence. Government subsidies unrelated to daily activities shall be included in non-operating income.

Government documents clearly stipulate that government subsidies for the purchase and construction of long-term assets or the formation of long-term assets by other means shall be recognized as government subsidies related to assets. If the government documents do not specify the object of subsidy, and long-term assets can be formed, the part of government subsidy corresponding to the value of the asset shall be regarded as the government subsidy related to the

asset, and the rest shall be regarded as the government subsidy related to the income. It is difficult to distinguish between government subsidies as a whole as government subsidies related to benefits. Government subsidies related to assets are recognized as deferred income. The amount recognized as deferred income shall be recorded into current profits and losses in a reasonable and systematic manner during the useful life of the relevant asset.

Government subsidies other than those related to assets shall be recognized as government subsidies related to earnings. If the government subsidies related to earnings are used to compensate the relevant expenses or losses of the enterprise in the subsequent period, they shall be recognized as deferred earnings and recorded into the current profit and loss during the period when the relevant expenses are recognized. If it is used to compensate the relevant expenses or losses already incurred by the enterprise, it shall be directly recorded into the current profit and loss.

If the company obtains a policy preferential loan discount interest, and the finance allocates the discount interest funds to the lending bank, and the lending bank provides the loan to the Company at the policy preferential interest rate, the actual amount of the loan is taken as the recorded value of the loan, and the relevant borrowing costs are calculated according to the loan principal and the policy preferential interest rate; If the finance directly appropriates the discount interest funds to the Company, the Company will offset the corresponding discount interest against the relevant borrowing costs.

2. Confirmation of government subsidies

Government grants are recognized when the conditions attached to government grants are met and can be received. The government subsidy measured according to the amount receivable shall be confirmed at the end of the period when there is solid evidence that it can meet the relevant conditions stipulated in the financial support policy and is expected to receive the financial support funds. Government subsidies other than those measured according to the amount receivable shall be recognized when the amount of subsidies is actually received.

(XXV) Deferred income tax assets and liabilities

1. Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax

base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which it is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

3. Recognize deferred tax liabilities for taxable temporary differences related to investments in subsidiaries and associates, unless the Company has control over the timing of the reversal of the temporary differences and it is likely that the reversal will not occur in the foreseeable future. For deductible temporary differences related to investments in subsidiaries and associates, deferred tax assets are recognized when such temporary differences are likely to be reversed in the foreseeable future and the amount of taxable income used to offset the deductible temporary differences is likely to be obtained in the future.

(XXVI) Leases

1. Accounting treatment of leased assets

On the commencement date of the lease term, the Company recognizes the right to use assets and lease liabilities for leases other than short-term leases and leases of low-value assets, and recognizes depreciation expense and interest expense, respectively, during the lease term.

The Company uses the straight-line method for each period of the lease term to charge lease payments for short-term leases and leases for low-value assets to current expenses.

(1) Right-of-use asset

The right-of-use asset is initially measured at cost, which includes: 1) the initial measurement amount of the lease liability; 2) the lease payments made on or before the start date of the lease term, if there is a lease incentive, deduct the amount of the lease incentive already enjoyed ; 3) Initial direct costs incurred by the lessee; 4) The lessee is expected to incur costs to dismantle and remove the leased asset, restore the site where the leased asset is located, or restore the leased asset to the state agreed upon in the lease terms

The company depreciates right-of-use assets on a straight-line basis. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, the company shall accrue depreciation over the remaining useful life of the leased asset. If it cannot be reasonably determined that the ownership of the leased asset can be obtained when the lease term expires, the company shall accrue depreciation within the shorter of the lease term and the remaining useful life of the leased asset.

In accordance with the Accounting Standards for Enterprises “CASBE 8 - Asset Impairment”, the company determines whether the assets used for use have been impaired and carries out accounting treatment.

(2) Lease liability

The lease liability is initially measured at the present value of the outstanding lease payments on the commencement date of the lease term. The lease payment amount includes: 1) the fixed payment amount (including the substantial fixed payment amount). If there is a lease incentive, the lease incentive related amount shall be deducted; 2) variable lease payments depending on the index or ratio; 3) the amount expected to be paid according to the security residual value provided by the lessee; 4) the exercise price of the purchase option, the premise is that the lessee is reasonable to determine the exercise of the option; 5) Payment for exercising the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease;

The Company uses the lease embedded interest rate as the discount rate; If it is impossible to reasonably determine the interest rate embedded in the lease, the incremental borrowing rate of the Company shall be used as the discount rate. The Company calculates the interest expense of the lease liability in each period of the lease term at a fixed periodic interest rate and records it as a financial expense. The cyclical rate refers to the discount rate or the revised discount rate adopted by the Company.

Variable lease payments that are not included in the measurement of lease liabilities are recorded in current profit and loss when they are actually incurred.

If the Company changes the evaluation result of the option to renew the lease, terminate the lease or purchase the lease, it will re-measure the lease liability according to the present value calculated by the changed lease payment amount and the revised discount rate, and adjust the

book value of the right asset accordingly. In the event of a change in the actual lease payment, the estimated payable amount of the guarantee residual or the variable lease payment depending on the index or ratio, the lease liability shall be re-measured according to the present value calculated by the changed lease payment and the original discount rate, and the carrying value of the right asset shall be adjusted accordingly.

2. Accounting treatment of leased assets

(1) Operating lease accounting treatment

In each period of the lease term, the Company adopts the straight-line method to recognize the lease receipts from the operating leases as rental income. The Company capitalizes the initial direct expenses incurred in connection with the operating lease and stages them into current earnings during the lease term on the same basis of recognition as rental income.

(2) Accounting treatment of finance lease

On the lease commencement date, the Company recognizes the difference between the sum of the financial lease receivable, the unguaranteed residual value and its present value as unrealized financing income, and recognizes it as lease income in each period in which the rent is received in the future. The initial direct expenses incurred by the Company in connection with the leasing transaction are included in the initial recorded value of the finance lease receivable.

(XXVII) Held for Sale and discontinued operations

The Company classifies non-current assets or disposal groups that simultaneously meet the following conditions into the holding for Sale category: first, in accordance with the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under current conditions; Second, a sale is highly likely to occur, that is, the company has made a decision on a sale plan and obtained firm purchase commitments, and the sale is expected to be completed within a year. If the relevant regulations require the approval of the relevant authority or regulatory department before the enterprise can be sold, the approval shall have been obtained.

Initial measurement or on the balance sheet date to measure hold illiquid assets for sale or disposal of the group, its book value is higher than the fair value minus the net amount after sale cost, book value shall be written down to fair value minus the net amount after selling fees, the amount of write-down shall be recognized as asset impairment losses recorded into the profits and losses of the

current, the provision for assets impairment provision holds for sale at the same time.

Non-current assets held for sale in the balance sheet or assets in the disposal group held for sale are listed as assets held for sale, and liabilities in the disposal group held for sale are listed as liabilities held for sale.

A discontinued operation is a separately distinguishable component that meets one of the following conditions and has been disposed of by the Company or is classified by the Company as being held for sale:

- 1.The component represents a separate principal business or a separate principal area of operation;
- 2.The component is part of an associated plan to dispose of a separate principal business or a separate principal territory of operations;
- 3.This component is a subsidiary acquired exclusively for resale.

(XXVIII) Other significant accounting policies and estimates

Including but not limited to: Termination of business confirmation standard, the accounting methods, adopting the hedging accounting basis and accounting methods, hedging effectiveness evaluation methods, the company's risk management strategy and how to apply the strategies to manage risk, accounting methods related to repurchase shares, asset securitization business accounting methods and so on.

Explanation of major changes in accounting policies and accounting estimates:

There are no changes in accounting policies and estimates during the current period;

IV. Taxes

(I) Main taxes and tax rates

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax shall be calculated on the basis of the sales of goods and taxable service income calculated in accordance with the provisions of the tax law. After deducting the input tax allowed to be deducted in the current period, the balance shall be the VAT payable.	13%、6%、5%、3%
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of rent revenue.	1.2%、12%
Urban maintenance and	Turnover tax payable	7%

Taxes	Tax bases	Tax rates
construction tax		
Education surcharge	Turnover tax payable	3%
Local education surcharge	Turnover tax payable	2%
Enterprise income tax	Taxable income	15%、16.5%、25%

Taxpayers	Income tax rate
The Company	25%
Nanjing PutianTelege Intelligent Building Co., Ltd	15%
Nanjing PutianDatang Information Electronic Co., Ltd.	15%
Putian Telecommunications (H.K.) Co., Ltd.	16.5%
Taxpayers other than the above-mentioned	25%

(II) Tax preferential policies

1. Nanjing PutianTelege Intelligent Building Co., Ltd obtained high-tech enterprise certificate in November, 2021, valid for 3 years. From 2021 to 2023, the enterprise income tax shall be paid at the reduced tax rate of 15%.

2. The subsidiary, Nanjing PutianDatang Information Electronic Co., Ltd., obtained high-tech enterprise certificate in November, 2021, valid for 3 years. From 2021 to 2023, the enterprise income tax shall be paid at the reduced tax rate of 15%.

3. The seventh branch of the subsidiary Nanjing communication equipment factory is a social welfare enterprise, which complies with the provisions of GuoShuiFa [2007] No. 067 and enjoys the preferential tax policies of immediate collection and refund of value-added tax and plus deduction of wages of the disabled.

4. The subsidiaries, Nanjing PutianDatang Information Electronic Co., Ltd. are certified as software enterprises, and some of the software products produced by Nanjing South Telecommunications Company Limited and Nanjing Putian Network Co., Ltd. are entitled to enjoy the preferential tax policy of VAT refund upon collection in accordance with the provisions of CaiShui [2011] No.100.

V. Notes to items of consolidated financial statements

Remarks: "Opening balance" in the report refers to the data on January 1, 2022, "Closing balance" refers to the data on January 1, 2022, "Current period cumulative" refers to the data on January 1, 2022 to June 30, 2022, "Preceding period comparative" refers to the data on January 1, 2021 to June 30, 2021.

1. Cash and bank balances

(1) Details

Items	Closing balance	Opening balance
Cash on hand	343.39	343.39
Cash in bank	123,632,030.80	180,458,727.47
Other cash and bank balances	7,817,663.53	8,206,459.51
Total	131,450,037.72	188,665,530.37
Including: Total amount deposited abroad		

(2) Centralized management of funds

1) The company implements centralized and unified management of the funds of the parent company and member units through the internal financial company.

2) Amounts and Circumstances Listed as " monetary funds "

Items	Closing balance	Note
Funds listed as "monetary funds" and deposited in the finance company	8,275,421.66	

(3) Details of other cash and bank balances

Items	Closing balance	Opening balance
Bank acceptance deposit		
deposit for L/G	7,761,951.05	8,205,628.07
Others	55,712.48	831.44
Total	7,817,663.53	8,206,459.51

2. Held-for-trading financial assets

Items	Closing balance	Opening balance
1. Financial assets classified as financial assets measured at fair value and whose changes are included in current profits and losses		20,000,000.00
Including: Debt Instrument Investment		

Items	Closing balance	Opening balance
Equity instrument investment		
Others		20,000,000.00
Total		20,000,000.00

3. Notes receivable

Items	Closing balance	Opening balance
Bank acceptance		
Trade acceptance	9,318,843.17	14,424,413.04
Less: Provision for bad debts	465,942.16	721,220.66
Total	8,852,901.01	13,703,192.38

(1) Details

1) Details on categories

Categories	Closing balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision for bad debts made on a collective basis	9,318,843.17	100.00	465,942.16	5.00	8,852,901.01
Including: Bank acceptance					
Trade acceptance	9,318,843.17	100.00	465,942.16	5.00	8,852,901.01
Total	9,318,843.17	100.00	465,942.16	5.00	8,852,901.01

(Continued)

Categories	Opening balance				Carrying amount
	Book balance		Provision for bad debts		
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision for bad debts made on a collective basis	14,424,413.04	100.00	721,220.66	5.00	13,703,192.38
Including: Bank acceptance					
Trade acceptance	14,424,413.04	100.00	721,220.66	5.00	13,703,192.38
Total	14,424,413.04	100.00	721,220.66	5.00	13,703,192.38

2) Notes receivable with bad debt provision in combination

Items	Closing balance

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
bank acceptance combination			
Trade acceptance combination	9,318,843.17	465,942.16	5.00
Total	9,318,843.17	465,942.16	5.00

(2) Changes in provision for bad debts

Items	Opening balance	Increase			Decrease			Closing balance
		Accrual	Recovery	Others	Reversal	Write-off	Others	
Bank acceptance								
Trade acceptance	721,220.66	-255,278.50						465,942.16
Total	721,220.66	-255,278.50						465,942.16

(3) The company's pledged/converted receivables/endorsed or discounted notes receivable that are outstanding at the balance sheet date at the end of the period

Items	Has pledged	Accounts receivable have been transferred	The confirmation amount is terminated at the end of the period	The amount of confirmation is not terminated at the end of the period
Bank acceptance			28,273,659.99	
Trade acceptance			4,954,487.77	
Total			33,228,147.76	

Due to the fact that the acceptor of bank acceptance is commercial bank, which is of high credit level, there is very little possibility of failure in recoverability when it is due. Based on this fact, the Company derecognized the endorsed or discounted bank acceptance. However, if any bank acceptance is not recoverable when it is due, the Company still holds joint liability on such acceptance, according to the China Commercial Instrument Law.

4. Accounts receivable

(1) Disclosure according to aging

Ages	Closing balance	Opening balance
Within 1 year	249,010,768.26	174,417,246.90
1 to 2 years	61,413,580.25	67,930,584.61
2 to 3 years	42,717,695.97	58,467,779.79

Ages	Closing balance	Opening balance
3 to 4 years	62,800,260.76	85,170,507.83
4 to 5 years	57,914,563.11	32,639,651.27
Over 5 years	114,195,805.17	112,796,028.54
Less: Allowance for doubtful accounts	194,836,769.35	196,835,247.01
Total	393,215,904.17	334,586,551.93

(2) According to the bad debt calculation and withdrawal method classification disclosure

Categories	Closing balance			
	Book balance		Provision for bad debts	
	Amount	% to total	Amount	Provision proportion (%)
Receivables with provision made on an individual basis	78,997,376.62	13.43	78,997,376.62	100.00
Receivables with provision made on a collective basis	509,055,296.90	86.57	115,839,392.73	22.76
Total	588,052,673.52	100.00	194,836,769.35	33.13

Categories	Opening balance			
	Book balance		Provision for bad debts	
	Amount	% to total	Amount	Provision proportion (%)
Receivables with provision made on an individual basis	78,379,779.60	14.75	78,379,779.60	100.00
Receivables with provision made on a collective basis	453,042,019.34	85.25	118,455,467.41	26.15
Total	531,421,798.94	100.00	196,835,247.01	37.04

1) Accounts receivable with provision made on an individual basis

Debtors	Book balance	Provision for bad debts	Ages	Provision proportion (%)	Reasons
Dongpo Xi Laos Co., Ltd.	19,708,086.54	19,708,086.54	4 to 5 years	100.00	Unable to recover
Mr. Xu	17,591,683.74	17,591,683.74	Over 5 years	100.00	Unable to recover
China Tower Corporation Ltd.	13,819,926.92	13,819,926.92	Over 5 years	100.00	Unable to recover
Jilin Lidi Information Technology Co., Ltd	5,999,750.00	5,999,750.00	2-3years 539,740.00; 3-4years 4466,240.00; 4-5years 993,770.00	100.00	Unable to recover
China Railway Communication Signal Shanghai Engineering Group Co., Ltd	5,241,400.50	5,241,400.50	4-5years 3,114,600.94; Over 5 years 2,126,799.56	100.00	Unable to recover
Other	16,636,528.92	16,636,528.92	2-5 years	100.00	Unable to recover

Total	78,997,376.62	78,997,376.62			
-------	---------------	---------------	--	--	--

2) Accounts receivable with provision made on an collective basis

①Combination 1: Aging combination

Ages	Closing balance			Opening balance		
	Book balance	Provision proportion (%)	Provision for bad debts	Book balance	Provision proportion (%)	Provision for bad debts
Within 1 year	249,010,768.26	1.00	2,489,940.87	174,417,246.90	1.00	1,744,172.48
1 to 2 years	60,967,653.85	5.00	3,048,382.69	64,013,020.08	5.00	3,200,651.00
2 to 3 years	37,012,641.09	10.00	3,701,264.11	56,234,363.04	10.00	5,623,436.30
3 to 4 years	57,053,501.02	30.00	17,116,050.31	54,651,481.02	30.00	16,395,444.32
4 to 5 years	31,053,955.86	50.00	15,526,977.93	24,468,289.98	50.00	12,234,144.99
Over 5 years	73,956,776.82	100.00	73,956,776.82	79,257,618.32	100.00	79,257,618.32
Total	509,055,296.90		115,839,392.73	453,042,019.34		118,455,467.41

(3) Bad debt provision

Categories	Opening balance	Change in current period				Closing balance
		Accrual	To withdraw or turn back	Cancel after verification	Other changes	
Receivables with provision made on an individual basis	78,379,779.60	1,094,570.18	476,973.16			78,997,376.62
Receivables with provision made on a collective basis	118,455,467.41	2,297,977.96		4,914,052.64		115,839,392.73
Total	196,835,247.01	3,392,548.14	476,973.16	4,914,052.64		194,836,769.35

(4) Accounts receivable actually written off in the current period

The amount of accounts receivable actually written off in this period is RMB 4,914,052.64.

(5) Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Dongpo Xi Laos Co., Ltd.	19,708,086.54	3.35	19,708,086.54

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Mr. Xu	17,591,683.74	2.99	17,591,683.74
Hegang branch of China Tower Co., Ltd	13,819,926.92	2.35	13,819,926.92
Shanghai Zhouluo Information Technology Co., LTD	11,401,797.72	1.94	114,017.98
Shanghai Zicheng Information Technology Development Co., LTD	10,968,853.78	1.87	109,688.54
Total	73,490,348.70	12.50	51,343,403.72

5. Receivables financing

Items	Closing balance	Opening balance
Notes receivable(Bank acceptance)	16,350,913.52	40,852,223.88

6. Advances paid

(1) Age analysis

Ages	Closing balance		Opening balance	
	Amount	% to total	Amount	% to total
Within 1 year	18,403,300.08	69.88	18,003,886.43	79.50
1-2 years	3,811,347.66	14.47	804,044.95	3.55
2-3 years	759,733.98	2.88	1,446,243.44	6.39
Over 3 years	3,362,780.11	12.77	2,391,641.84	10.56
Total	26,337,161.83	100.00	22,645,816.66	100.00

(2) Details of the top 5 debtors with largest balances

Debtors	Closing balance	Proportion to the total balance of advances paid (%)
Huawei Technology Co., Ltd	4,072,729.45	15.46
QSTECH Co., Ltd	2,596,500.00	9.86
Jiangsu Shuntian International Group Machinery Import and Export Co., Ltd	1,425,683.28	5.41
GuizhouTianguangShian Technology Co., Ltd	750,000.00	2.85
Zhejiang Narada Power Source Co.,Ltd.	580,000.00	2.20
Total	9,424,912.73	35.78

7. Other receivable

Items	Closing balance	Opening balance
Interest receivable		
Dividends receivable		

Items	Closing balance	Opening balance
Other receivables	55,553,203.47	57,562,392.95
Less: Allowance for doubtful accounts	41,893,042.88	40,934,197.78
Total	13,660,160.59	16,628,195.17

(1) Other receivables categorized by nature

Categories	Closing balance	Opening balance
Provisional payment receivable	33,438,013.07	40,950,602.33
Deposit	15,715,712.29	12,054,412.80
Travel allowance	804,416.99	905,189.12
Other	5,595,061.12	3,652,188.70
Less: Allowance for doubtful accounts	41,893,042.88	40,934,197.78
Total	13,660,160.59	16,628,195.17

(2) Age analysis

Ages	Closing balance	Opening balance
Within 1 year	7,222,466.40	7,008,502.69
1 to 2 years	2,507,508.77	2,850,719.97
2 to 3 years	4,276,955.97	5,231,249.14
3 to 4 years	1,575,812.53	4,606,299.15
4 to 5 years	4,538,837.99	3,549,119.02
Over 5 years	35,431,621.81	34,316,502.98
Less: Allowance for doubtful accounts	41,893,042.88	40,934,197.78
Total	13,660,160.59	16,628,195.17

(3) Changes in provision for bad debts

Items	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	648,426.35		40,285,771.43	40,934,197.78
Opening balance in the current period	648,426.35		40,285,771.43	40,934,197.78
--Transferred to phase II				
--Transferred to phase III				
--Reversed to phase II				
--Reversed to phase I				
Provision made in the current period	436,320.20		527,159.37	963,479.57

Items	Phase I	Phase II	Phase III	Total
Provision recovered in current period				
Provision written off in current period			4,634.47	4,634.47
Other changes				
Closing balance	1,084,746.55		40,808,296.33	41,893,042.88

(4) Other receivables for which the provision for bad debts is withdrawn individually at the end of the period

Debtors	Book balance	Provision for bad debt	Proportion of withdrawal (%)	Reasons
Beijing Likangpu Telecommunications Equipment Co.,Ltd.	28,912,122.71	28,912,122.71	100.00	The other party is bankrupt and unable to settle

(5) Bad debt provision

Portfolios	Opening balance	Change in current period				Closing balance
		Accrual	To withdraw or turn back	Cancel after verification	Other changes	
Other combinations	40,934,197.78	963,479.57		4,634.47		41,893,042.88

(6) Other receivables actually written off in the current period

The amount of other receivables actually written off in this period is RMB 4,634.47.

(7) Details of the top 5 debtors with largest balances

Debtors	Nature of receivables	Closing balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Beijing Likangpu Communication Equipment Co., Ltd.	Temporary payment receivable	28,912,122.71	Over 5 years	52.04	28,912,122.71
China Potevio Company Limited	Security deposit	2,245,100.00	1-2 years 307,100.00; 4-5 years 938,000.00; Over 5 years 1,000,000.00	4.04	1,953,355.00
Construction headquarters of Shenzhen Metro Group Co., Ltd	Security deposit	1,490,768.10	2-3 years	2.68	74,538.41
Beijing PutianKechuang Industry Co.,Ltd.	Temporary payment receivable	805,545.63	3-4 years 179,184.19; Over 5 years 626,361.44	1.45	805,545.63

Debtors	Nature of receivables	Closing balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Beijing Lekang Real Estate Management Co.,Ltd.	Rent	528,796.29	Within 1 ywar	0.95	26,439.81
Total		33,982,332.73		61.16	31,772,001.56

8. Inventories

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for write-down	Carrying amount	Book balance	Provision for write-down	Carrying amount
Raw materials	29,376,393.70	9,134,918.13	20,241,475.57	31,234,604.53	9,134,918.13	22,099,686.40
Work in process	9,599,855.21	2,797,339.41	6,802,515.80	13,606,311.30	2,797,339.41	10,808,971.89
Goods on hand	87,686,775.05	39,786,254.55	47,900,520.50	79,928,818.55	40,226,500.64	39,702,317.91
Goods dispatched	159,022,834.50	58,758,181.09	100,264,653.41	172,240,715.25	58,758,181.09	113,482,534.16
Products on consignment for sales	1,289,862.42	804,691.99	485,170.43	1,242,747.33	804,691.99	438,055.34
Contract performance cost	2,568,835.66		2,568,835.66			
Total	289,544,556.54	111,281,385.17	178,263,171.37	298,253,196.96	111,721,631.26	186,531,565.70

(2) The increase or decrease of the inventory decline reserve and the impairment reserve of contract performance cost

Items	Opening balance	Increase Decrease		Increase Decrease		Closing balance
		Accrual	Others	Reversal or write-off	Others	
Raw materials	9,134,918.13					9,134,918.13
Work in process	2,797,339.41					2,797,339.41
Goods on hand	40,226,500.64	9,993.42		450,239.51		39,786,254.55
Goods dispatched	58,758,181.09					58,758,181.09
Products on consignment for sales	804,691.99					804,691.99
Total	111,721,631.26	9,993.42		450,239.51		111,281,385.17

9. Other current assets

Items	Closing balance	Opening balance
Input VAT to be credited	4,257,909.13	5,526,501.01
Prepaid income tax	526,493.03	2,236,499.06

Items	Closing balance	Opening balance
Total	4,784,402.16	7,763,000.07

10. Long-term equity investments

Investees	Opening balance	Increase/Decrease								Closing balance	Closing balance of provision for impairment
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/Profit declared for distribution	Provision for impairment	Others		
I. Joint ventures	10,422,193.15			-0.99						10,422,192.16	
SEI-Nanjing Potevio Optical Network Co., Ltd	10,422,193.15			-0.99						10,422,192.16	

11. Other equity instrument investments

Items	Closing balance	Opening balance	Dividend income	The cumulative gains	The cumulative loss	Amount of other comprehensive income transferred to retained earnings	The reason designated as measurement at fair value and its change included in other comprehensive income	Other comprehensive income is transferred to retained earnings
Nanjing Yuhua Electroplating Factory	420,915.00	420,915.00						
Hangzhou Honyar Electrical Co.,Ltd.	321,038.00	321,038.00						
Beijing Likong Communication Equipment Co., Ltd.								
Total	741,953.00	741,953.00						

Note: The investment in Nanjing Yuhua Electroplating Factory, Hangzhou Honyar Electrical Co.,Ltd. and Beijing Likong Communication Equipment Co., Ltd. are classified as other equity instrument investments, the Company measured it at fair value through other comprehensive income.

12. Investment property

(1) Investment real estate measured at cost

Items	Buildings and structures
I. Original book value	
1. Opening balance	18,619,150.97
2. Increase	
3. Decrease	
4. Closing balance	18,619,150.97
II. Accumulated depreciation and amortization	
1. Opening balance	11,764,259.46
2. Increase	344,539.35
(1) Accrual or amortization	344,539.35
3. Decrease	
4. Closing balance	12,108,798.81
III. Provision for impairment	
IV. Carrying amount	

Items	Buildings and structures
1. Closing balance	6,510,352.16
2. Opening balance	6,854,891.51

13. Fixed assets

Categories	Closing balance	Opening balance
Fixed assets	114,942,877.05	118,527,119.27
Liquidation of fixed assets		
Less: Impairment provision	725,962.56	725,962.56
Total	114,216,914.49	117,801,156.71

(1) Fixed assets

1) Details

Items	Buildings and structures	Machinery equipment	Transport facilities	Electronic equipment	Other equipment	Total
I. Original book value						
1. Opening balance	152,200,686.89	30,115,555.70	5,415,208.27	1,414,872.09	45,611,587.89	234,757,910.84
2. Increase	494,509.29	145,575.23	61,769.91	123,888.06	6,123.89	831,866.38
(1) Acquisition	494,509.29	145,575.23	61,769.91	123,888.06	6,123.89	831,866.38
3. Decrease		418,803.44	587,726.73	16,195.28		1,022,725.45
(1) Disposal /Scrapping		418,803.44	587,726.73	16,195.28		1,022,725.45
4. Closing balance	152,695,196.18	29,842,327.49	4,889,251.45	1,522,564.87	45,617,711.78	234,567,051.77
II. Accumulated depreciation						
1. Opening balance	50,053,754.10	20,331,298.78	5,007,942.84	6,995.65	40,830,800.20	116,230,791.57
2. Increase	2,780,682.03	773,963.11	55,043.13	518,917.40	252,424.39	4,381,030.06
(1) Acquisition	2,780,682.03	773,963.11	55,043.13	518,917.40	252,424.39	4,381,030.06
3. Decrease		406,239.33	565,498.80	15,908.78		987,646.91
(1) Disposal /Scrapping		406,239.33	565,498.80	15,908.78		987,646.91
4. Closing balance	52,834,436.13	20,699,022.56	4,497,487.17	510,004.27	41,083,224.59	119,624,174.72
III. Provision for impairment						
1. Opening balance	539,124.00			11,048.35	175,790.21	725,962.56
2. Increase						
3. Decrease						

Items	Buildings and structures	Machinery equipment	Transport facilities	Electronic equipment	Other equipment	Total
4. Closing balance	539,124.00			11,048.35	175,790.21	725,962.56
IV. Carrying amount						
1. Closing balance	99,321,636.05	9,143,304.93	391,764.28	1,001,512.25	4,358,696.98	114,216,914.49
2. Opening balance	101,607,808.79	9,784,256.92	407,265.43	1,396,828.09	4,604,997.48	117,801,156.71

2) Fixed assets temporarily idle

Items	Original book value	Accumulated depreciation	Provision for impairment	Carrying amount	Remarks
Machinery equipment	191,485.00	176,039.10	12,248.35	3,197.55	
Electronic equipment	331,100.00	330,020.00		1,080.00	
Other equipment	370,885.18	184,349.93	175,408.71	11,126.54	
Total	893,470.18	690,409.03	187,657.06	15,404.09	

3) Fixed assets with certificate of titles being unsettled

Items	Carrying amount	Reasons for unsettlement
Buildings and structures	35,460,964.00	Unable to handle

14. Construction in progress

Categories	Closing balance	Opening balance
Construction in progress project	1,182,171.32	292,996.23
Engineering materials		
Less: Impairment provision		
Total	1,182,171.32	292,996.23

(1) Basic information of construction projects in progress

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Others	1,182,171.32		1,182,171.32	292,996.23		292,996.23

15. Intangible assets

(1) Details

Items	Land use right	Software	Total
I. Original book value			
1. Opening balance	26,656,046.83	11,740,157.40	38,396,204.23
2. Increase			

Items	Land use right	Software	Total
3. Decrease			
4. Closing balance	26,656,046.83	11,740,157.40	38,396,204.23
II. Accumulated depreciation			
1. Opening balance	7,147,103.23	10,140,353.52	17,287,456.75
2. Increase	317,144.71	206,624.71	523,769.42
(1) Acquisition	317,144.71	206,624.71	523,769.42
3. Decrease			
4. Closing balance	7,464,247.94	10,346,978.23	17,811,226.17
III. Provision for impairment			
4. Closing balance			
IV. Carrying amount			
1. Closing balance	19,191,798.89	1,393,179.17	20,584,978.06
2. Opening balance	19,508,943.60	1,599,803.88	21,108,747.48

16. Long-term prepayments

Items	Opening balance	Increase	Amortization	Other decrease	Closing balance
Renovation expenditure	4,973,968.20		720,614.36		4,253,353.84

17. Deferred tax assets and deferred tax liabilities

(1) Details of unrecognized deferred tax assets

Items	Closing balance	Opening balance
Deductible temporary difference	349,203,102.12	350,212,296.71
Deductible losses	206,756,188.18	247,021,502.77
Total	555,959,290.30	597,233,799.48

(2) Maturity years of deductible losses of unrecognized deferred tax assets

Maturity years	Closing balance	Opening balance	Remarks
Year 2021		3,321,233.55	
Year 2022	6,340,354.15	6,340,354.15	
Year 2023	6,027,849.77	6,538,713.94	
Year 2024	108,499,154.28	110,600,873.27	
Year 2025	3,031,582.45	5,019,673.59	
Year 2026	69,795,534.87	115,200,654.27	
Year 2029	1,622,476.49		
Year 2030	1,188,328.53		
Year 2031	10,250,907.64		

Maturity years	Closing balance	Opening balance	Remarks
Total	206,756,188.18	247,021,502.77	

18. Short-term borrowings

(1) Details

Borrowing conditions	Closing balance	Opening balance
Mortgaged borrowings	51,300,000.00	24,000,000.00
Secured borrowings	175,000,000.00	175,000,000.00
Total	226,300,000.00	199,000,000.00

19. Notes payable

Items	Closing balance	Opening balance
Bank acceptance		
Trade acceptance	1,250,000.00	1,251,741.17
Total	1,250,000.00	1,251,741.17

20. Accounts payable

(1) Classification by nature of payment

Items	Closing balance	Opening balance
Procurement of materials	476,735,856.31	536,734,286.45
Project payment	1,629,456.49	1,629,456.49
Total	478,365,312.80	538,363,742.94

(2) Significant accounts payable with age over one year

Name of creditor	Closing balance	Reasons for unsettlement
Nanjing Xingping Industrial Co., Ltd	21,139,620.66	Not yet settled
SEI-Nanjing Putian Optical Network Co., Ltd.	20,568,725.66	Not yet settled
China Potevio Company Limited	18,016,137.43	Not yet settled
Jiangsu Lexi Technology Co.,Ltd.	11,459,040.40	Not yet settled
Nanjing Xinyongda Electrical Co.,Ltd.	9,024,387.55	Not yet settled
Xi'an Huasheng Communication Co., Ltd	6,205,219.93	Not yet settled
MENNEKES Industrial Electric(Nanjing)Co.,Ltd.	6,073,776.29	Not yet settled
Total	92,486,907.92	

21. Contract liabilities

Items	Closing balance	Opening balance
Payment for goods	19,029,759.47	18,884,024.60

22. Employee benefits payable

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Short-term employee benefits	17,922,220.68	78,860,644.34	78,972,585.67	17,810,279.35
Post-employment benefits - defined contribution plan		11,205,099.07	11,205,099.07	
Termination benefits	1,522,951.00	1,432,551.50	2,955,502.50	
Other benefits due within one year				
Total	19,445,171.68	91,498,294.91	93,133,187.24	17,810,279.35

(2) Details of short-term employee benefits

Items	Opening balance	Increase	Decrease	Closing balance
Wage, bonus, allowance and subsidy	3,625,349.25	59,624,759.29	59,624,759.29	3,625,349.25
Employee welfare fund		4,028,741.93	4,011,925.71	16,816.22
Social insurance premium		5,029,950.01	5,029,950.01	
Including: Medicare premium		4,709,194.46	4,709,194.46	
Occupational injuries premium		320,755.55	320,755.55	
Others				
Housing provident fund	3,294,519.74	4,989,054.27	4,990,788.27	3,292,785.74
Trade union fund and employee education fund	10,987,355.16	866,256.53	993,280.08	10,860,331.61
Short-term absences from work with compensation				
Short-term profit sharing plan				
Others	14,996.53	4,321,882.31	4,321,882.31	14,996.53
Total	17,922,220.68	78,860,644.34	78,972,585.67	17,810,279.35

(3) Details of defined contribution plan

Items	Opening balance	Increase	Decrease	Closing balance
Basic endowment insurance premium		10,292,520.87	10,292,520.87	
Unemployment insurance premium		437,601.29	437,601.29	
Company annuity payment		474,976.91	474,976.91	
Total		11,205,099.07	11,205,099.07	

23. Taxes payable

Items	Closing balance	Opening balance
VAT	3,531,4920.06	1,007,843.11
Enterprise income tax	1,343,958.62	774,605.96

Items	Closing balance	Opening balance
Individual income tax	344,984.34	298,962.05
Urban maintenance and construction tax	414,851.23	166,309.25
Housing property tax	238,820.33	409,138.78
Land use tax	81,754.17	83,316.67
Education surcharge&local education surcharge	294,179.77	116,649.03
Other tax	1,571.10	24,242.50
Total	6,251,609.62	2,881,067.35

24. Other payables

Items	Closing balance	Opening balance
Interest payable		
Dividend payable	12,538,813.38	2,142,213.38
Other payables	53,666,098.11	61,864,581.70
Total	66,204,911.49	64,006,795.08

(1) Dividend payable

Items	Closing balance	Opening balance
Dividend of ordinary shares	12,538,813.38	2,142,213.38

(2) Other payables

Items	Closing balance	Opening balance
Temporary receipts payable	34,066,785.90	42,582,100.22
Unsettled installation cost	7,038,775.64	7,085,494.06
Deposits	4,276,809.64	4,797,260.63
Operating expenses	6,788,982.49	4,643,277.05
Others	1,494,744.44	2,756,449.74
Total	53,666,098.11	61,864,581.70

25. Non-current liabilities due within one year

Items	Closing balance	Opening balance
Long-term payables due within one year		2,656,474.95

26. Other current liabilities

Items	Closing balance	Opening balance
VAT collected in advance	1,520,821.27	2,454,923.31

27. Share capital

Items	Opening balance	Movements					Closing balance
		Issue of new shares	Bouns shares	Reserve transferred to shares	Others	Subtotal	
Total shares	215,000,000						215,000,000

28. Capital reserve

Items	Opening balance	Increase	Decrease	Closing balance
Share premium	137,786,640.63			137,786,640.63
Other capital reserve	60,077,533.45			60,077,533.45
Total	197,864,174.08			197,864,174.08

29. Other comprehensive income (OCI)

Items	Opening balance	Current period cumulative						Closing balance
		Current period cumulative before income tax	Less: Other comprehensive income in the previous period is transferred to profit and loss	Less: Other comprehensive income recorded in the previous period is transferred to retained income in the current period	Less: Income tax	Attributable to parent company	Attributable to non-controlling shareholders	
II. Other comprehensive income reclassified into profit and loss								
Including: The amount of financial assets reclassified into other comprehensive income	-1,854,910.00							-1,854,910.00
Differences in translation of foreign currency financial statements	-4,964,727.82		-4,964,727.82			4,964,727.82		
Total	-6,819,637.82		-4,964,727.82			4,964,727.82		-1,854,910.00

30. Surplus reserve

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	589,559.77			589,559.77

31. Undistributed profit

Items	Current period cumulative	Preceding period comparative
Balance before adjustment at the end of preceding period	-341,446,683.34	-202,680,309.64
Add: Increase due to adjustment (or less: decrease)		
Opening balance after adjustment	-341,446,683.34	-202,680,309.64
Add: Net profit attributable to owners of the parent company	-27,711,297.33	-29,593,867.19
Less: Appropriation of statutory surplus reserve		
Dividend payable on ordinary shares		
Closing balance	-369,157,980.67	-232,274,176.83

32. Operating revenue/Operating cost

(1) Details

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
I. Main operations	399,867,521.60	317,772,069.20	441,387,294.27	348,603,700.69
II. Other operations	7,445,094.75	5,672,139.94	10,491,316.16	8,830,168.30
Total	407,312,616.35	323,444,209.14	451,878,610.43	357,433,868.99

(2) Operating income in the current period is classified according to the time of revenue recognition

Revenue recognition method (time)	Video conferencing products	Integrated wiring product	Low voltage distribution products	Wiring products and others	Total
Confirm at sceratin point of time	122,377,125.65	178,241,799.05	45,768,753.23	60,924,938.42	407,312,616.35
Confirm in a certain period of time					
Total	122,377,125.65	178,241,799.05	45,768,753.23	60,924,938.42	407,312,616.35

33. Taxes and surcharges

Items	Current period cumulative	Preceding period comparative
Urban maintenance and construction tax	886,803.62	950,147.23
Education surcharge&local education surcharge	633,135.16	678,676.61
Housing property tax	510,691.74	632,407.41

Items	Current period cumulative	Preceding period comparative
Land use tax	241,844.10	253,268.80
Other tax	87,907.72	257,155.97
Total	2,360,382.34	2,771,656.02

34. Selling expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	28,150,107.87	30,657,820.79
Transport and damage to transport	2,789.81	2,617.00
Business entertainment	5,453,239.19	7,320,086.73
Travelling expenses	1,715,412.46	3,593,668.46
Office expenses	403,205.74	757,905.79
Sales service charges	1,726,174.39	1,983,529.10
Promotion expenses	638,232.78	645,814.35
Conference expenses	61,939.66	561,693.48
Equipment maintain fees	149,510.58	7,719.09
Others	2,331,597.58	3,530,437.79
Total	40,632,210.06	49,061,292.58

35. Administrative expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	20,644,875.51	20,500,482.96
Consulting and intermediary fees	1,038,068.26	1,179,882.32
Depreciation and amortization	3,088,563.05	3,134,154.50
Office expenses	1,505,366.57	1,128,158.97
Lease expenses	284,527.03	382,999.62
Travelling expense	197,659.84	500,872.73
Business entertainment	400,308.41	712,793.82
Funding for Party Building	208,638.07	214,223.66
Others	931,423.36	1,967,023.84
Total	28,299,430.10	29,720,592.42

36. R&D expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	20,115,664.25	24,333,843.32
Intermediate test fee	1,182,015.12	1,431,006.18
Travelling expenses	49,288.12	865,144.33

Items	Current period cumulative	Preceding period comparative
Material use	364,611.56	684,146.16
Depreciation and amortization	817,844.36	605,021.78
Commissioned development	19,150.94	
Others	1,094,144.20	1,828,329.01
Total	23,642,718.55	29,747,490.78

37. Financial expenses

Items	Current period cumulative	Preceding period comparative
Interest expenditures	5,291,794.15	2,798,625.53
Less: Interest income	779,954.73	410,149.62
Losses on foreign exchange		
Less: gain on foreign exchange	19,186.31	104,172.86
Financial institution fees	145,706.95	281,634.59
Others		
Total	4,638,360.06	2,565,937.64

38. Other income

Items	Current period cumulative	Preceding period comparative	Related to assets/Related to earnings
VAT will be refunded immediately	882,872.52	831,873.19	Related to earnings
Enterprises declare subsidies	75,000.00		Related to earnings
2021 Jiangning District rescue eight freight subsidy development zone supporting	70,587.00		Related to earnings
Employee training subsidy	30,802.84	244,700.00	Related to earnings
Others	16,104.65	112,345.78	Related to earnings
Double prevention mechanism construction standard enterprise subsidy		3,100.00	Related to earnings
Total	1,075,367.01	1,192,018.97	

39. Investment income

Items	Current period cumulative	Preceding period comparative
Long-term equity investment income calculated by the equity method	-0.99	-1.19
Investment income from disposal of long-term equity investments	-6,085,544.20	
Investment income from the disposal of trading financial assets	337,205.48	
Others	-4,791.06	
Total	-5,753,130.77	-1.19

40. Credit impairment loss

Items	Current period cumulative	Preceding period comparative
Bad debt loss of notes receivable	255,278.50	-355,632.18
Bad debt loss of accounts receivable	-2,915,574.98	-2,426,050.63
Bad debt loss of other receivables	-963,479.57	373,472.41
Total	-3,623,776.05	-2,408,210.40

41. Assets impairment loss

Items	Current period cumulative	Preceding period comparative
Inventory write-down loss	-9,993.42	

42. Gains on asset disposal

Items	Current period cumulative	Preceding period comparative
Gains on disposal of fixed assets	59,868.36	15,829.32

43. Non-operating revenue

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Unpaid payables	2,603,295.76		2,603,295.76
Penalty income	120,062.99	5,000.00	120,062.99
Others	18,869.74	51,934.58	18,869.74
Total	2,742,228.49	56,934.58	2,742,228.49

44. Non-operating expenditures

Items	Current period cumulative	Preceding period comparative	Amount included in non-recurring profit or loss
Donation expenditures		2,000.00	
Non-current assets damage and scrap loss	12,812.65		12,812.65
Penalty expenditures	2,000.00		2,000.00
Others	8,507.17	59,544.99	8,507.17
Total	23,319.82	61,544.99	23,319.82

45. Income tax expenses

(1) Details

Items	Current period cumulative	Preceding period comparative
Current income tax expense calculated in accordance with the tax law and relevant provisions	1,169,067.15	4,521,812.72

Items	Current period cumulative	Preceding period comparative
Deferred income tax expense		
Others	2,245,778.53	
Total	3,414,845.68	4,521,812.72

(2) Accounting profit and income tax expense adjustment process

Items	Amount
Profit before tax	-21,237,450.10
Income tax expenses based on tax rate applicable to the parent company	-5,309,362.53
Effect of different tax rate applicable to subsidiaries	-2,543,364.88
Effect of prior income tax reconciliation	2,245,778.54
The effect of non-taxable income	
The impact of non-deductible costs, expenses and losses	679,774.89
The effect of deductible temporary differences or deductible losses of deferred tax assets not recognized in the previous period	-3,021,480.44
The effect of deductible temporary differences or deductible losses on deferred tax assets was not recognized in the current period	14,109,788.35
Deduction of R&D expenditures	-2,746,288.25
Income tax expenses	3,414,845.68

46. Statement of cash flows

(1) Other cash receipts related to operating activities

Items	Current period cumulative	Preceding period comparative
Government grants	667,089.45	1,192,018.97
Interest income	743,957.45	410,149.62
Incomings and outgoings	28,296,437.67	11,932,139.16
Others	705,426.17	934,135.53
Total	30,412,910.74	14,468,443.28

(2) Other cash payments related to operating activities

Items	Current period cumulative	Preceding period comparative
Out-of-pocket expenses	31,053,868.58	33,193,862.80
Incomings and outgoings	22,452,728.53	26,882,349.43
Others	679,491.80	462,741.40
Total	54,186,088.91	60,538,953.63

(3) Other cash payments related to financing activities

Items	Current period cumulative	Preceding period comparative
Installment financing lease payments	1,138,717.12	39,813,078.92

47. Supplement information to the cash flow statement

(1) Supplement information to the cash flow statement

Items	Current period cumulative	Preceding period comparative
I. Reconciliation of net profit to cash flow from operating activities:		
Net profit	-24,652,295.78	-25,149,014.43
Add: Provision for credit impairment loss	3,623,776.05	2,408,210.40
Provision for assets impairment loss	9,993.42	
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets, and depreciation of investment real estate	4,725,569.41	3,919,944.42
Depreciation of right-of-use assets		
Amortization of intangible assets	523,769.42	482,769.28
Amortization of long-term prepayments	720,614.36	880,943.69
Loss on disposal of fixed assets, intangible assets and other long-term assets (Less: gains)	-59,868.36	-15,829.32
Fixed assets retirement loss (Less: gains)	12,812.65	
Net exposure hedge loss (Less: gains)		
Losses on changes in fair value (Less: gains)		
Financial expenses (Less: gains)	5,291,794.15	2,798,625.53
Investment losses (Less: gains)	5,753,130.77	1.19
Decrease of deferred tax assets (Less: increase)		
Increase of deferred tax liabilities (Less: decrease)		
Decrease of inventories (Less: increase)	8,708,640.42	27,228,422.89
Decrease of operating receivables (Less: increase)	-84,356,904.37	-106,583,908.66
Increase of operating payables (Less: decrease)	-16,165,029.70	-22,692,438.14
Others		
Net cash flows from operating activities	-95,863,997.56	-116,722,273.15
II. Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		
Fixed assets leased in under finance leases		

Items	Current period cumulative	Preceding period comparative
III. Net changes in cash and cash equivalents:		
Cash at the end of the period	123,632,374.19	73,109,498.70
Less: Cash at the beginning of the period	180,459,070.86	170,062,746.87
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase of cash and cash equivalents	-56,826,696.67	-96,953,248.17

(2) Cash and cash equivalents

Items	Current period cumulative	Preceding period comparative
I. Cash	123,632,374.19	180,459,070.86
Including: Cash on hand	343.39	343.39
Cash in bank on demand for payment	123,632,030.80	180,458,727.47
Other monetary funds readily available for payment		
Money deposited with a central bank that can be used for payment		
Deposit of interbank funds		
Interbank debits		
II. Cash equivalents		
Including: bond investments maturing within three months		
III. Cash and cash equivalents at the end of the period	123,632,374.19	180,459,070.86
Including: restricted use of cash and cash equivalents by the parent company or subsidiaries within the Group		

48. Assets with title or use right restrictions

Items	Closing carrying amount	Reasons for restrictions
Cash and bank balances	7,817,663.53	Performance bond and litigation
Fixed assets	58,016,211.48	Mortgage
Intangible assets	15,116,581.08	Mortgage
Investment property	6,359,779.69	Mortgage
Total	87,310,235.78	

Note: We remind users of financial statements that, apart from the above assets with title or use right restrictions, in order to entrust the parent company to apply for loans from Bank of Beijing, Jiangning Sub-branch, the Company pledged its holding equities to the parent company, which include equity of Nanjing South Telecommunications Co Ltd. 33.17 million yuan(96.99% shares of stock equity), equity of Nanjing PutianTelege Intelligent Building Co., Ltd. 4.80 million yuan(40% shares of stock equity), equity of Nanjing PutianChangle Telecommunications Equipment Co., Ltd. 5.07 million yuan(50.7% shares of stock equity), equity of Nanjing Putian Network Co., Ltd. 7.80 million yuan(78% shares of stock equity). The Company has registered the equity pledge at Nanjing Jiangning Market

Supervision Administration. Those equities are with use restrictions before released.

49. Monetary items in foreign currencies

(1) Monetary items in foreign currencies

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent at the end of the period
Cash and bank balances			
Including: USD	104,948.22	6.7114	704,349.48

VI. Changes in the consolidation scope

In this period, the scope of merger is reduced by 1, and the subsidiary Putian Communication (Hong Kong) Co., LTD has been cancelled. Since May, this period is no longer included in the scope of merger. For details, see Note XII (3) Notes on long-term equity Investment of the parent company.

VII. Interest in other entities

(I) Interest in subsidiaries

1. Composition of subsidiaries

Subsidiaries	Place of registration	Main operating place	Business nature	Holding proportion (%)		Acquisition Method
				Direct	Indirect	
Nanjing PutianChangle Telecommunications Equipment Co., Ltd.	Nanjing City	Nanjing City	Manufacture	50.70		Set up
Nanjing PutianTelege Intelligent Building Ltd.	Nanjing City	Nanjing City	Manufacture	45.77		Set up
Nanjing South Telecommunications Company Limited	Nanjing City	Nanjing City	Manufacture	96.99	3.01	Set up
Nanjing Nanman Electrics Co., Ltd.	Nanjing City	Nanjing City	Manufacture	100.00		Merger of enterprises under different control
Nanjing Putian Network Co., Ltd.	Nanjing City	Nanjing City	Manufacture	78.00		Set up
Nanjing PutianDatang Information Electronic Co., Ltd.	Nanjing City	Nanjing City	Manufacture	40.00		Merger of enterprises under

Subsidiaries	Place of registration	Main operating	Business nature	Holding proportion (%)		Acquisition Method different control
Nanjing Putian Communication Technology Co., Ltd.	Nanjing City	Nanjing City	Manufacture	70.00		Set up
Chongqing Puhua Information Technology Co., Ltd	Chongqing City Chongqing City	Chongqing City Chongqing City	Manufacture	100.00		Set up

Remarks on inconsistency between holding proportion owned and voting rights proportion owned in subsidiaries

a. The Company holds 45.767% of voting rights in Nanjing PutianTelege Intelligent Building Ltd., the other voting rights are decentralized. The Company has over half member of the Board of Directors, and it not only controls this company but also has a privileged variable return by taking part in Nanjing PutianTelege Intelligent Building Ltd's related activity. The Company has the ability to impact the amount of return and control over Nanjing PutianTelege Intelligent Building Ltd.

b. The company holds Nanjing PutianDatang Information Electronics Co., LTD. 40% equity, the company in Nanjing PutianDatang information electronics Co., LTD. As the number of board members more than half of the company's board of directors, has the power of Nanjing PutianDatang information Electronics Co., LTD., Be able to enjoy variable returns by participating in relevant activities of Nanjing PutianDatang Information Electronics Co., LTD., and have the ability to influence the amount of returns by using the power of Nanjing PutianDatang Information Electronics Co., LTD., and be able to control Nanjing PutianDatang Information Electronics Co., LTD.

2. Significant not wholly-owned subsidiaries

The serial number	Subsidiaries	Holding proportion of non-controlling shareholders	Non-controlling shareholders' profit or loss	Dividend declared to non-controlling shareholders	Closing balance of non-controlling interest
1	Nanjing PutianTelege Intelligent Building Ltd.	54.23%	6,269,143.26	10,846,600.00	48,135,226.19

3. Main financial information of significant not wholly-owned subsidiaries

Subsidiaries	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Nanjing PutianTelege Intelligent Building Ltd.	233,489,731.19	35,880,808.23	269,370,539.42	180,609,288.80		180,609,288.80	211,702,890.62	35,559,085.84	247,261,976.46	150,061,012.14		150,061,012.14

Subsidiaries	Current period cumulative				Preceding period comparative			
	Operating revenue	Net profit	Total comprehensive income	Cash inflow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash inflow from operating activities
Nanjing PutianTelege Intelligent Building Ltd.	179,185,572.36	11,560,286.29	11,560,286.29	-54,336,160.51	199,671,487.21	13,604,585.72	13,604,585.72	-52,546,951.98

(II) Interest in joint venture or associates

1. Aggregated financial information of insignificant joint ventures and associates

Items	Closing balance/Current period cumulative	Opening balance/Preceding period comparative
I. Joint ventures		
Total carrying amount of investments	10,422,192.16	10,422,193.15
Proportionate shares in the following items:		
Net profit	-0.99	2.38
Other comprehensive income	-0.99	2.38
Total comprehensive income		
II. Associated enterprises		
Total carrying amount of investments		
Proportionate shares in the following items:		
Net profit		
Other comprehensive income		
Total comprehensive income		

VIII. Risks related to financial instruments

The Company aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Company's financial performance. Based on such objectives, the Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Company has exposure to the following risks from its use of financial instruments, which mainly include: credit risk, liquidity risk, and market risk. Management have deliberated and approved policies concerning such risks, and details are:

(I) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

1. Credit risk management practice

(1) Evaluation method of credit risk

At each reporting date, the Company assesses whether the credit risk on a financial instrument

has increased significantly since initial recognition. When assessing whether the credit risk has increased significantly since initial recognition, the Company takes into account reasonable and supportable information, which is available without undue cost or effort, including qualitative and quantitative analysis based on historical data, external credit risk rating, and forward-looking information. The Company determines the changes in default risk of financial instruments during the estimated lifetime through comparison of the default risk at the balance sheet date and the initial recognition date, on an individual basis or a collective basis.

The Company considers the credit risk on a financial instrument has increased significantly when one or more of the following qualitative and quantitative standards are met:

1) Quantitative standard mainly relates to the scenario in which, on the balance sheet date, the probability of default in the remaining lifetime has risen by more than a certain percentage compared with the initial recognition;

2) Qualitative standard mainly relates to significant adverse changes in the debtor's operation or financial position, present or expected changes in technology, market, economy or legal environment that will have significant adverse impact on the debtor's repayment ability;

(2) Definition of default and credit-impaired asset

The Company defines a financial asset as in default when the financial instrument meets one or more of the following criteria, which are consistent with the definition of credit impairment incurred:

1) significant financial difficulty of the debtor;

2) a breach of binding clause of contract;

3) it is very likely that the debtor will enter bankruptcy or other financial reorganization;

4) the creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the creditor would not otherwise consider.

2. Measurement of expected credit losses

The key factors in the measurement of expected credit loss include the probability of default, loss rate of default, and exposure to default risk.

3. The beginning balance and ending balance of loss provision for financial instruments are detailed in Notes V(3), V(4) and V(7) to these financial statements.

4. Exposure to credit risk and concentration of credit risk

The Company's credit risk is primarily attributable to cash and bank balances and receivables.

In order to control such risks, the Company has taken the following measures:

(1) Cash and bank balances

The Company deposits its bank balances and other cash and bank balances in financial institutions with relatively high credit levels, hence, its credit risk is relatively low.

(2) Receivables

The Company performs credit assessment on customers who uses credit settlement on a regular/continuous basis. The Company selects credible and well-reputed customers based on credit assessment result, and conducts ongoing monitoring on receivables, to avoid significant risks in bad debts.

As the Company's accounts receivable risk points are distributed across multiple partners and multiple customers, 12.50% of the Company's accounts receivable as of June 30, 2022 (June 30, 2021:11.43%) originated from the top five customers with balances, and the Company does not have significant credit concentration risk.

The maximum amount of exposure to credit risk of the Company is the carrying amount of each financial asset on the balance sheet.

(II) Liquidity risk

Liquidity risk is the risk that the Company may encounter deficiency of funds in meeting obligations associated with cash or other financial assets settlement, which is possibly attributable to failure in selling financial assets at fair value on a timely basis, or failure in collecting liabilities from counterparts of contracts, or early redemption of debts, or failure in achieving estimated cash flows.

In order to control such risk, the Company utilized financing tools such as notes settlement, bank borrowings, etc. and adopts long and short financing methods to optimizing financing structures, and finally maintains a balance between financing sustainability and flexibility. The

Company has obtained credit limit from several commercial Nanjing Putian Telecommunications Co., Ltd. 2021 Annual Report 187 banks to meet working capital requirements and expenditures.

Financial instruments classified based on remaining time period till maturity

Items	Closing balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Short-term borrowings	226,300,000.00	226,300,000.00	226,300,000.00		
Notes payable	1,250,000.00	1,250,000.00	1,250,000.00		
Accounts payable	478,365,312.80	478,365,312.80	478,365,312.80		
Other payable	66,204,911.49	66,204,911.49	66,204,911.49		
Long-term payable					
Non-current liabilities due within one year					
Subtotal	772,120,224.29	772,120,224.29	772,120,224.29		

(Continued)

Items	Opening balance				
	Carrying amount	Contract amount not yet discounted	Within 1 year	1-3 years	Over 3 years
Short-term borrowings	199,000,000.00	203,055,109.72	203,055,109.72		
Notes payable	1,251,741.17	1,251,741.17	1,251,741.17		
Accounts payable	538,363,742.94	538,363,742.94	538,363,742.94		
Other payable	64,006,795.08	64,006,795.08	64,006,795.08		
Long-term payable					
Non-current liabilities due within one year	2,656,474.95	2,717,664.49	2,717,664.49		
Subtotal	805,278,754.14	809,395,053.40	809,395,053.40		

(III) Market risk

Market risk is the risk that the Company may encounter fluctuation in fair value of financial instruments or future cash flows due to changes in market price.

1. Interest risk

Interest risk is the risk that an enterprise may encounter fluctuation in fair value of financial instruments or future cash flows due to changes in market interest. The Company's fair value interest risks arise from fixed-rate financial instruments, while the cash flow interest risks arise from floating interest financial instruments. The Company determines the proportion of fixed-rate

financial instruments and floating interest rate financial instruments based on the market environment, and maintains a proper financial instruments portfolio through regular review and monitoring. The Company's interest risk relates mainly to bank borrowings with floating interest rate

2. Foreign currency risk

Foreign exchange risk refers to the risk that the fair value or future cash flow of a financial instrument may fluctuate due to changes in foreign exchange rates. The Company operates in mainland China and its main activities are denominated in renminbi, so the Company's exposure to foreign exchange movements is not material. The Company's foreign currency monetary assets and liabilities at the end of the period are detailed in the relevant notes to the financial statements.

IX. Fair value

(I) Details of fair value of assets and liabilities at fair value at the balance sheet date

Items	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Closing balance
I. Recurring fair value measurement				
1. Held-for-trading financial assets				
2. Receivables financing			16,350,913.52	16,350,913.52
3. Other equity instrument investments			741,953.00	741,953.00
Total assets at recurring fair value measurement			17,092,866.52	17,092,866.52

(II) Valuation technique(s) and key input(s) for level 3 fair value at recurring and non-recurring fair measurement

1. For notes receivable, measured at par value.

2. For other equity instrument investments including Nanjing Yuhua Electroplating Factory and Hangzhou Honyar Electrical Co.,Ltd., due to no changes of operating environment and conditions and financial conditions of the invested enterprises, the Company measured at investment cost.

3. For other equity instrument investments including Beijing Likangpu Communication Equipment Co., Ltd., due to deterioration of operating environment and conditions and financial conditions of the invested enterprises, the Company measured at zero value.

X. Related party relationships and transactions

(I) Parent company

Parent company	Place of registration	Business nature	Registered capital (Ten thousand yuan)	Holding proportion over the Company (%)	Voting right proportion over the Company (%)
China Potevio Company Limited	No.2 Tudi 2 Road, Zhongguan Village Economy Zone, Haidian District, Beijing	Information industry	190,305.00	53.49	53.49

(II) Status of the Company's subsidiaries

See Note "VII. Interests in Other Entities" for details.

(III) Joint ventures and associates of the Company

For the important joint ventures or associates of the enterprise, see Note "VII. Interests in Other Entities", other joint ventures or associates that have related party transactions with the Company in the current period, or have a balance of related party transactions with the Company in the previous period.

Joint ventures or associates	Relationships with the Company
SEI-Nanjing Putian Optical Network Co., Ltd.	Joint ventures

(IV) Other related parties of the Company

Related parties	Relationships with the Company
Beijing PutianTaili Telecommunications Technology Co.,Ltd.	An affiliated company of the ultimate controlling party
Beijing taiko information system technology corporation limited	An affiliated company of the ultimate controlling party
Eastern Communications Co.,Ltd.	An affiliated company of the ultimate controlling party
Hangzhou Hikvision Science & Technology	An affiliated company of the ultimate controlling party
Hangzhou Hikvision Digital Technology Co.,Ltd.	An affiliated company of the ultimate controlling party
Hebei Far-East Communication System Engineering Co.,Ltd.	An affiliated company of the ultimate controlling party
Nanjing Rail Transit System Engineering Co., Ltd	An affiliated company of the ultimate controlling party
Nanjing Hikvision Digital Technology Co., Ltd	An affiliated company of the ultimate controlling party
Nanjing Postel Swanking Electrical Appliance Technical Co.,Ltd	An affiliated company of the ultimate controlling party
Nanjing Putian Information Technology Co.,Ltd.	An affiliated company of the ultimate controlling party
PUTIAN EASTCOM COMMUNICATIONS GROUP Co.,Ltd.	An affiliated company of the ultimate controlling party
Nanjing Putian Communication Technology Industrial Park Co.,Ltd.	An affiliated company of the ultimate controlling party
Putian Rail Transit Technology (Shanghai) Co.	An affiliated company of the ultimate controlling party

Related parties	Relationships with the Company
LTD	
Potevio Telecommunications Co.,Ltd.	An affiliated company of the ultimate controlling party
Putian Information Technology Institute Co.,Ltd.	An affiliated company of the ultimate controlling party
Shanghai Potevio Network Technologies Limited	An affiliated company of the ultimate controlling party
Shanghai PotevioCo.,Ltd.	An affiliated company of the ultimate controlling party
Anhui Sun Create Electronics Co.,Ltd.	An affiliated company of the ultimate controlling party
Gemplus(Tianjin)New Technologies Co.,Ltd.	An affiliated company of the ultimate controlling party
Wuhan Putian New Energy Co., Ltd	An affiliated company of the ultimate controlling party
CETC EASTCOM COMMUNICATIONS GROUP Co.,Ltd.	An affiliated company of the ultimate controlling party
China Electronics Laisi Information System Co., Ltd.	An affiliated company of the ultimate controlling party
CETC Finance Co., Ltd.	An affiliated company of the ultimate controlling party
The 28th Research Institute of China Electronics Technology Group Co., Ltd	An affiliated company of the ultimate controlling party
The 23rd Research Institute of China Electronics Technology Group Co., Ltd	An affiliated company of the ultimate controlling party
China Putian Corporation Co.,Ltd.	An affiliated company of the ultimate controlling party
Nanjing branch of China Key System&Integrated Circuit Co.,Ltd.	An affiliated company of the ultimate controlling party

(V) Related party transactions

1. Purchase and sale of goods, rendering and receiving of services

Related parties	Type of transaction	Content of transaction	Current period cumulative	Preceding period comparative
Purchase goods and accept labor services:				
Nanjing Hikvision Digital Technology Co., Ltd	Purchase goods	Telecom products	140,931.84	
Nanjing Postel Swanking Electrical Appliance Technical Co.,Ltd	Purchase goods and accept labor services	Goods and Services	30,796.47	175,207.98
China Potevio Company Limited	Purchase goods	Telecom products		371,681.42
Nanjing Putian Communication Technology Industrial Park Co.,Ltd.	Accept labor services	labor		129,056.58
Selling goods and providing services:				
The 28th Research Institute of China Electronics Technology Group Co., Ltd	Selling goods	Selling goods	1,420,289.21	
Hebei Far-East Communication System Engineering Co.,Ltd.	Selling goods	Selling goods	783,202.90	
Putian Rail Transit Technology (Shanghai) Co. LTD	Selling goods	Selling goods	309,784.08	
Nanjing branch of China Key System&Integrated Circuit Co.,Ltd.	Selling goods	Selling goods	51,745.91	

Related parties	Type of transaction	Content of transaction	Current period cumulative	Preceding period comparative
CETC EASTCOM COMMUNICATIONS GROUP Co.,Ltd.	Selling goods	Terminal and supporting facilities	25,809.65	22,641.51
Nanjing Postel Swanking Electrical Appliance Technical Co.,Ltd	Selling goods and providing services	Selling goods and providing services	10,619.47	175,207.98
Nanjing Putian Communication Technology Industrial Park Co.,Ltd.	Providing services	Providing services	4,424.78	129,056.58
Beijing PutianTaili Telecommunications Technology Co.,Ltd.	Selling goods	Terminal and supporting facilities	3,150.44	
China Electronics Laisi Information System Co., Ltd.	Selling goods	Selling goods	592.04	
PUTIAN EASTCOM COMMUNICATIONS GROUP Co.,Ltd.	Selling goods	Telecom products		1,034,151.45
China Potevio Company Limited	Selling goods	Telecom products		384,300.86
Wuhan Putian New Energy Co., Ltd	Selling goods	Telecom products		16,088.49

2. Related party leases

Name of lessor	Name of Lessee	Status of leased assets	Lease income \ expenses recognized in the current period	Lease income and expenses confirmed in the previous period
Nanjing Putian Communication Technology Industrial Park Co.,Ltd.	Nanjing Communication Equipment Factory No.7 Branch	Office building	306,153.66	268,423.40
Nanjing Southern Telecom Co.,Ltd	Nanjing LopuCo.,Ltd.	Office building	197,619.05	

3. Related party guarantees

Guarantees	Guarantors	Amount guaranteed	Commencement date	Maturity date	Whether the guarantee is mature
The company	Nanjing Southern Telecom Co.,Ltd	20,000,000.00	2021/11/12	2025/7/22	No
The company	Nanjing Southern Telecom Co.,Ltd	10,000,000.00	2022/02/23	2025/11/16	No

4. Key management's emoluments

Items	Current period cumulative	Preceding period comparative
Key management's emoluments	1,329,391.00	1,306,373.00

5. Related party entrusted loan and interest expense

Entrusted loan and interest expense with parent company	Current period	Preceding period
Principal balance of entrusted loan	145,000,000.00	95,000,000.00
Interest payments on entrusted loans	3,605,336.12	1,286,777.78

6. On June 30, 2022, the Company deposited funds with China Electronic Technology Finance Co., LTD with a balance of RMB 8,275,421.66, all of which were bank deposits, and generated deposit interest income of RMB 39,861.20 during the reporting period.

(VI) Balance due to or from related parties

1. Balance due from related parties

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Cash and bank balances					
	China Electronic Technology Finance Co., Ltd	8,275,421.66		7,151,551.17	
Accounts receivable					
	Shanghai Potevio Co., Ltd.	9,158,900.29	9,158,900.29	8,755,534.00	8,755,534.00
	Hebei Far-East Communication System Engineering Co., Ltd.	7,931,257.03	101,432.57	7,954,628.78	210,528.84
	China Potevio Company Limited	5,519,204.83	3,352,438.48	5,519,204.83	3,339,327.20
	Putian Information Technology Institute Co., Ltd.	6,065,598.36	1,944,396.29	6,065,598.36	1,321,517.31
	Potevio Telecommunications Co., Ltd.	4,317,924.00	1,060,171.20	4,317,924.00	372,990.90
	Nanjing Rail Transit System Engineering Co., Ltd	905,040.41	9,050.40	905,040.41	9,050.40
	The 28th Research Institute of China Electronics Technology Group Co., Ltd	505,770.00	5,057.70		
	Putian Rail Transit Technology (Shanghai) Co. LTD	433,840.80	4,338.41		
	Anhui Sun Create Electronics Co., Ltd.	183,262.43	8,388.89	183,262.43	8,388.89
	Nanjing branch of China Key System&Integrated Circuit Co., Ltd.	58,472.88	584.73	26,373.10	263.73
	Nanjing Postel Swanking Electrical Appliance Technical Co., Ltd	12,000.00	120.00		
	China Electronics Laisi Information System Co., Ltd.	669.00	6.69		
	Eastern Communications Co., Ltd.			19,100.00	315.00
	Gemplus(Tianjin)New Technologies Co., Ltd.			4,546.26	1,363.88
	Beijing taiko information			182,680.00	18,268.00

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	system technology corporation limited				
Subtotal		35,091,940.03	15,644,885.65	33,933,892.17	14,037,548.15
Advances paid					
	Hangzhou Hikvision Science & Technology	6,850.00		6,850.00	
	Hangzhou Hikvision Digital Technology Co.,Ltd.	616.00			
Subtotal		7,466.00		6,850.00	
Other receivable					
	Beijing Likangpu Telecommunications Equipment Co.,Ltd.	28,912,122.71	28,912,122.71	28,912,122.71	28,912,122.71
	China Potevio Company Limited	2,245,100.00	1,953,355.00	2,245,100.00	1,953,355.00
	Putian Information Technology Institute Co.,Ltd.	367,800.00	367,800.00	367,800.00	367,800.00
	Nanjing Hikvision Digital Technology Co., Ltd	80,000.00	4,000.00	80,000.00	4,000.00
	The 23rd Research Institute of China Electronics Technology Group Co., Ltd			67,400.00	3,370.00
Subtotal		31,605,022.71	31,237,277.71	31,672,422.71	31,240,647.71
Total		74,979,850.40	46,882,163.36	72,764,716.05	45,278,195.86

2. Balance due to related parties

Items	Related parties	Closing balance	Opening balance
Accounts payable			
	SEI-Nanjing Putian Optical Network Co., Ltd.	20,568,725.66	20,258,725.66
	China Potevio Company Limited	18,016,137.43	18,016,137.43
	Nanjing Hikvision Digital Technology Co., Ltd	72,837.90	
	Nanjing Putian Communication Technology Industrial Park Co.,Ltd.	25,000.00	25,000.00
	Nanjing Postel Swanking Electrical Appliance Technical Co.,Ltd	1,200.00	19,580.00
Subtotal		38,683,900.99	38,319,443.09
Advances received			
	China Potevio Company Limited	4,690,537.30	4,703,127.30
	China Putian Corporation Co.,Ltd.	13,239.48	
Subtotal		4,703,776.78	4,703,127.30

Items	Related parties	Closing balance	Opening balance
Other payables			
	Nanjing Putian Communication Technology Industrial Park Co.,Ltd.	3,700,486.23	3,805,596.06
	Putian Information Technology Institute Co.,Ltd.	400,000.00	400,000.00
	Potevio Telecommunications Co.,Ltd.	200,000.00	200,000.00
	China Putian Corporation Co.,Ltd.	7,430,000.00	9,580,000.00
	China Potevio Company Limited		231,015.28
	Nanjing Putian Information Technology Co.,Ltd.	2,758,432.56	3,042,825.53
	SEI-Nanjing Putian Optical Network Co., Ltd.	83,000.00	
Subtotal		14,571,918.79	17,259,436.87
Short-term borrowings			
	China Potevio Company Limited	145,000,000.00	145,000,000.00
Subtotal		145,000,000.00	145,000,000.00

XI. Commitments and contingencies

(I) Commitments

As of June 30, 2022, the Company has no material commitments to disclose.

(II) Contingencies

As of June 30, 2022, the Company had no material contingencies to disclose.

(III) Segment reports

1. Identification basis for reportable segments

Reportable segments are identified based on operating segments which are determined based on the structure of the Company's internal organization, management requirements and internal reporting system. The Company identified reportable segments based on products, which include video conferencing products, integrated wiring product, electrical products, wiring products, and other products. Assets and liabilities shared by different segments are allocated pro rata among segments.

The Company identified reportable segments based on products, assets and liabilities of each segment are the actual amount of its proportion in assets and liabilities, and revenue from main

operations and cost of main operations are those generated or incurred by each product segment.

2. Financial information of reportable segments

Products segment

Items	Video conferencing products	Integrated wiring product	Low voltage distribution products	Wiring products and others	Inter-segment offsetting	Total
Revenue from main operations	128,489,658.29	176,444,873.16	45,182,846.39	66,705,896.70	-16,955,752.94	399,867,521.60
Cost of main operations	98,361,695.45	137,424,676.29	35,374,348.50	63,510,979.52	-16,899,630.56	317,772,069.20
Total assets	274,255,088.36	269,370,539.42	194,710,431.55	494,861,012.64	-302,370,504.57	930,826,567.40
Total liabilities	174,573,731.61	180,609,288.80	140,991,411.91	509,735,961.19	-189,177,699.51	816,732,694.00

XII. Notes to items of parent company financial statements

(I) Accounts receivable

1. Disclosure according to aging

Ages	Closing balance	Opening balance
Within 1 year	39,839,142.63	52,993,552.29
1 to 2 years	28,064,270.46	23,708,195.98
2 to 3 years	18,067,544.84	22,670,878.34
3 to 4 years	36,389,971.54	64,972,433.60
4 to 5 years	43,202,669.52	17,956,808.59
Over 5 years	98,092,114.97	91,555,641.94
Less: Allowance for doubtful accounts	150,526,158.09	149,111,938.07
Total	113,129,555.87	124,745,572.67

2. According to the bad debt calculation and withdrawal method classification disclosure

Categories	Closing balance			
	Book balance		Provision for bad debts	
	Amount	% to total	Amount	Provision proportion (%)
Receivables with provision made on an individual basis	69,599,335.93	26.40	69,599,335.93	100.00
Receivables with provision made on a collective basis	194,056,378.03	73.60	80,926,822.16	41.70
Among them: Combination 1: aging method	191,084,844.85	98.47	80,926,822.16	42.35
Combination 2: Receivables within the consolidated range	2,971,533.18	1.53		

Categories	Closing balance			
	Book balance		Provision for bad debts	
	Amount	% to total	Amount	Provision proportion (%)
Total	263,655,713.96	100.00	150,526,158.09	57.09

(Continued)

Categories	Opening balance			
	Book balance		Provision for bad debts	
	Amount	% to total	Amount	Provision proportion (%)
Receivables with provision made on an individual basis	70,076,309.09	25.59	70,076,309.09	100.00
Receivables with provision made on a collective basis	203,781,201.65	74.41	79,035,628.98	38.78
Among them: Combination 1: aging method	202,113,852.99	99.18	79,035,628.98	39.10
Combination 2: Receivables within the consolidated range	1,667,348.66	0.82		
Total	273,857,510.74	100.00	149,111,938.07	54.45

(1) Receivables with provision made on an individual basis

Debtors	Book balance	Provision for bad debts	Ages	Provision proportion (%)	Reasons
Dongpo Xi Laos Co., Ltd.	19,708,086.54	19,708,086.54	4-5 years	100.00	Unable to recover
Mr. Xu	17,591,683.74	17,591,683.74	Over 5 years	100.00	Unable to recover
China Tower Corporation Limited	13,819,926.92	13,819,926.92	Over 5 years	100.00	Unable to recover
China Railway Signal&Communication Shanghai Engineering Bureau Group Co.,Ltd.	5,241,400.50	5,241,400.50	4-5 years 3114,600.94; Over 5 years 2,126,799.56	100.00	Unable to recover
Others	13,238,238.23	13,238,238.23	2-5 years	100.00	Unable to recover
Total	69,599,335.93	69,599,335.93			

(2) Receivables with provision made on a collective basis

①Combination 1: Aging combination

Ages	Closing balance			Opening balance		
	Book balance	Provision proportion (%)	Provision for bad debts	Book balance	Provision proportion (%)	Provision for bad debts
Within 1 year	37,193,471.77	1.00	371,934.72	51,326,203.63	1.00	513,262.04
1 to 2 years	27,504,737.06	5.00	1,375,236.85	19,790,631.45	5.00	989,531.57

Ages	Closing balance			Opening balance		
	Book balance	Provision proportion (%)	Provision for bad debts	Book balance	Provision proportion (%)	Provision for bad debts
2 to 3 years	14,595,906.71	10.00	1,459,590.67	22,670,878.34	10.00	2,267,087.83
3 to 4 years	35,509,240.24	30.00	10,652,772.07	39,529,690.55	30.00	11,858,907.17
4 to 5 years	18,428,402.45	50.00	9,214,201.23	10,779,217.30	50.00	5,389,608.65
Over 5 years	57,853,086.62	100.00	57,853,086.62	58,017,231.72	100.00	58,017,231.72
Total	191,084,844.85		80,926,822.16	202,113,852.99		79,035,628.98

3. Bad debt provision

Categories	Opening balance	Change in current period				Closing balance
		Accrual	To withdraw or turn back	Cancel after verification	Other changes	
Receivables with provision made on an individual basis	70,076,309.09		476,973.16			69,599,335.93
Receivables with provision made on a collective basis	79,035,628.98	1,891,193.18				80,926,822.16
Total	149,111,938.07	1,891,193.18	476,973.16			150,526,158.09

4. Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Mr. Xu	17,591,683.74	6.67	17,591,683.74
Dongpo Xi Laos Co., Ltd.	19,708,086.54	7.47	19,708,086.54
China Tower Corporation Limited	13,819,926.92	5.24	13,819,926.92
Shanghai PotevioCo.,Ltd.	9,158,900.29	3.47	9,158,900.29
Liantong Henan Branch	8,828,589.22	3.35	5,794,725.99
Total	69,107,186.71	26.20	66,073,323.48

(II) Other receivable

Items	Closing balance	Opening balance
Interest receivable		

Items	Closing balance	Opening balance
Dividends receivable	600,000.00	600,000.00
Other receivables	73,812,499.38	68,372,223.81
Less: Allowance for doubtful accounts	39,061,352.39	40,428,187.81
Total	35,351,146.99	28,544,036.00

1. Dividends receivable

(1) Details

Items	Closing balance	Opening balance
Common stock dividend	600,000.00	600,000.00

2. Other receivable

(1) Other receivable categorized by nature

Items	Closing balance	Opening balance
Temporary payment receivable	62,014,085.90	58,684,606.32
Deposit	7,628,917.30	6,554,054.67
Travel allowance	589,016.07	691,088.20
Others	3,580,480.11	2,442,474.62
Less: Allowance for doubtful accounts	39,061,352.39	40,428,187.81
Total	34,751,146.99	27,944,036.00

(2) Age analysis

Ages	Closing balance	Opening balance
Within 1 year	12,027,410.93	21,361,891.68
1 to 2 years	19,517,402.86	2,121,917.36
2 to 3 years	1,803,847.29	4,335,634.46
3 to 4 years	2,744,287.09	3,821,379.29
4 to 5 years	3,313,799.91	1,493,262.87
Over 5 years	34,405,751.30	35,238,138.15
Less: Allowance for doubtful accounts	39,061,352.39	40,428,187.81
Total	34,751,146.99	27,944,036.00

(3) Changes in provision for bad debts

Items	Phase I	Phase II	Phase III	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	

Items	Phase I	Phase II	Phase III	Total
Opening balance	250,754.64		40,177,433.17	40,428,187.81
Opening balance in the current period	250,754.64		40,177,433.17	40,428,187.81
--Transferred to phase II				
--Transferred to phase III				
--Reversed to phase II				
--Reversed to phase I				
Provision made in the current period	13,497.15		805,817.15	819,314.30
Provision recovered in current period				
Provision written off in current period			2,186,149.72	2,186,149.72
Other changes				
Closing balance	264,251.79		38,797,100.60	39,061,352.39

(4) Other receivables for which the provision for bad debts is withdrawn individually at the end of the period

Debtors	Book balance	Provision for bad debt	Proportion of withdrawal (%)	Reasons
Beijing Likangpu Telecommunications Equipment Co.,Ltd.	28,912,122.71	28,912,122.71	100.00	The other party is bankrupt and unable to settle

(5) Bad debt provision

Categories	Opening balance	Change in current period				Closing balance
		Accrual	To withdraw or turn back	Cancel after verification	Other changes	
Other combinations	40,428,187.81	819,314.30		2,186,149.72		39,061,352.39

(6) Other receivables actually written off in the current period

The amount of other receivables actually written off in this period is 2,186,149.72 yuan.

(7) Details of the top 5 debtors with largest balances

Debtors	Nature of receivables	Closing balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Beijing Likangpu Telecommunications Equipment Co.,Ltd.	Temporary payment receivable	28,912,122.71	Over 5 years	39.17	28,912,122.71

Debtors	Nature of receivables	Closing balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Nanjing Nanman Electric Co., LTD	Security deposit	26,867,500.00	Within 1 year	36.40	
NANJING PUTIAN TELECOMMUNICATIONS CO.,LTD.	Rent, water and electricity	2,862,862.93	Within 1 year 287,612.42; 1-2 years 504,197.5; 2-3 years 404,315.31; 3-4 years 1,449,390.56; 4-5 years 217,347.14	3.88	
China Potevio Company Limited	Security deposit	1,938,000.00	4-5 years 938,000.00; Over 5 years 1,000,000.00	2.63	1,938,000.00
Beijing PutianKechuang Industry Co.,Ltd.	Temporary payment receivable	805,545.63	3-4 years 179,184.19; Over 5 years 626,361.44	1.09	805,545.63
Total		61,386,031.27		83.17	31,655,668.34

(III) Long-term equity investments

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investments in subsidiaries	113,409,068.64		113,409,068.64	115,319,588.64	1,910,520.00	113,409,068.64
Investments in associates and joint ventures	10,422,192.16		10,422,192.16	10,422,193.15		10,422,193.15
Total	123,831,260.80		123,831,260.80	125,741,781.79	1,910,520.00	123,831,261.79

1. Investments in subsidiaries

Investees	Opening balance	Increase	Decrease	Closing balance	Provision for impairment made in current period	Closing balance of provision for impairment
Nanjing PutianChangle Telecommunications Equipment Co., Ltd.	2,610,457.00			2,610,457.00		
Nanjing PutianTelege Intelligent Building Co., Ltd	3,320,003.45			3,320,003.45		
Nanjing Southern Telecom Co.,Ltd	33,175,148.00			33,175,148.00		
Nanjing Nanman Electrics	57,831,012.71			57,831,012.71		

Investees	Opening balance	Increase	Decrease	Closing balance	Provision for impairment made in current period	Closing balance of provision for impairment
Co., Ltd.						
Nanjing Putian Network Co.,Ltd.	7,741,140.41			7,741,140.41		
Nanjing PutianDatang Information Electronics Co Ltd	5,436,797.07			5,436,797.07		
NANJING PUTIAN TELECOMMUNICATIONS CO.,LTD.	1,294,510.00			1,294,510.00		
Chongqing Puhua Information Technology Co., Ltd	2,000,000.00			2,000,000.00		
POSTEL TELECOMMUNICATIONS (H.K.) CO. LIMITED						
Total	113,409,068.64			113,409,068.64		

Note: The deregistration of POSTEL TELECOMMUNICATIONS (H.K.) CO. LIMITED was completed in May 2022.

2. Investments in associates and joint ventures

Investees	Opening balance	Increase/Decrease								Closing balance	Closing balance of provision for impairment
		Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend/Profit declared for distribution	Provision for impairment	Others		
I. Joint ventures	10,422,193.15			-0.99						10,422,192.16	
SEI-Nanjing Putian Optical Network Co., Ltd.	10,422,193.15			-0.99						10,422,192.16	

(IV) Operating revenue/Operating cost

1. Operating income and operating costs are classified by major categories

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
I.Main operations	48,561,617.50	44,909,870.82	57,592,825.38	53,102,335.86
II.Other operations	1,476,755.54	1,568,931.48	6,018,376.27	5,993,665.33
Total	50,038,373.04	46,478,802.30	63,611,201.65	59,096,001.19

2. Operating income in the current period is classified according to the time of revenue recognition

Revenue recognition method (time)	Video conferencing products	Integrated wiring product	Low voltage distribution products	Wiring products and others	Total
Confirm at sceratin point of time				50,038,373.04	50,038,373.04
Confirm in a certain period of time					
Total				50,038,373.04	50,038,373.04

(V) Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under cost method	9,153,400.00	9,153,400.00
Investment income from long-term equity investments under equity method	-0.99	-1.19
Others	122,168.94	
Total	9,275,567.95	9,153,398.81

XIII. Other supplementary information

(I) Schedule of non-recurring profit or loss

Items	Amount	Remarks
1. Profit and loss on disposal of non-current assets, including the write-off part of the asset impairment provision	59,868.36	
2. Approval beyond authority, or without formal approval documents, or incidental tax refund, reduction and exemption		
3. Government subsidies included in the current profit and loss (closely related to the business of the enterprise, except those enjoyed in accordance with the national unified standard quota or quantitative government subsidies)	192,494.49	
4. Capital occupancy fee charged to a non-financial enterprise that is included in the current profit and loss		
5. When the investment cost of a subsidiary, joint venture or associates is less than that of the investment, an enterprise shall enjoy the income generated from the fair value of the identifiable net assets of the invested entity		
6. Non - monetary assets exchange gains and losses		
7. Gains or losses from investing or managing assets on behalf of others		
8. Provisions for impairment of assets due to force majeure factors, such as natural disasters		
9. Debt restructuring gains and losses	-4,791.06	

Items	Amount	Remarks
10. Enterprise restructuring expenses, such as placement of staff expenses, integration costs, etc		
11. A gain or loss in excess of fair value resulting from a transaction at an appreciably unfair price		
12. The net profit and loss of the subsidiary from the beginning of the period to the merger date arising from the merger of enterprises under the same control		
13. Gains and losses arising from contingencies unrelated to the normal operation of the company's business		
14. In addition to the normal business of the company effective hedging related business, tradable financial assets, and other illiquid financial assets, derivative financial assets, changes in the fair value of the tradable financial liabilities have profit and loss, as well as the disposal of tradable financial assets, other illiquid financial assets, creditor's rights investment, transactional financial liabilities and other derivative financial liabilities of investment returns	337,205.48	
15. The receivables and contract assets for which impairment tests are carried out separately will be transferred back		
16. Gains and losses from entrusted loans		
17. Profits and losses arising from changes in the fair value of investment real estate that are measured using the fair value model		
18. The impact of one-time adjustment on current profit and loss according to taxation, accounting and other laws and regulations		
19. Custodial fee income obtained from entrusted operation		
20. Other non-operating income and expenses other than those described above	2,718,908.67	
21. Other profit and loss items that meet the definition of non-recurring profit and loss	-6,085,545.19	
22. Impact of income tax	-82,712.65	
23. Amount of influence of minority shareholders	-293,256.52	
Total	-3,157,828.42	

Note: Other itemsthatmeet the definition of non-recurring profitandloss are mainly the translation of the accumulated foreign currency statements of the liquidation subsidiary in Hong Kong.

(II) Return on net assets(ROA) and earnings per share(EPS)

Profit of the reporting period	Weighted average ROA (%)		EPS (yuan/share)			
			Basic EPS		Diluted EPS	
	Current period	Preceding period	Current period	Preceding period	Current period	Preceding period
Net profit attributable to shareholders of ordinary shares	-51.49	-16.14	-0.13	-0.14	-0.13	-0.14
Net profit attributable to shareholders of ordinary shares after deducting non-recurring profit or loss	-45.63	-16.29	-0.11	-0.14	-0.11	-0.14

Board of Directors of
Nanjing Putian Telecommunications Co., Ltd.
23 August 2022