

Nanjing Putian Telecommunications Co., Ltd.
2020 Third Quarterly Report

October 2020

Section I. Important Note

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

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

Wang Wenkui, person in charge of the Company, head of the accounting works Wang Huailin and Wang Huailin, accounting body principals (accountant in charge) hereby confirms that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.

Section II. Basic information of Company

I. Main accounting data and index

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

Yes No

	Current period-end	Period-end of last year	Increase/decrease	
Total assets (RMB)	1,474,870,353.18	1,652,005,519.44	-10.72%	
Net assets attributable to shareholders of listed company (RMB)	109,496,218.17	169,543,106.29	-35.42%	
	Current period	Increase/decrease in comparison with same period of last year	From year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	257,967,139.46	-7.05%	663,139,943.08	-35.91%
Net profit attributable to shareholders of the listed company (RMB)	-1,190,034.23	92.58%	-60,046,888.26	18.37%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-5,633,894.62	67.86%	-69,241,389.77	9.36%
Net cash flow arising from operating activities (RMB)	6,656,073.35	165.88%	24,308,791.38	113.95%
Basic earnings per share (RMB/Share)	-0.01	85.71%	-0.28	17.65%
Diluted earnings per share (RMB/Share)	-0.01	85.71%	-0.28	17.65%
Weighted average ROE	-1.09%	4.44%	-43.04%	-19.94%

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	6,051,161.27	

Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	4,120,379.93	
Other non-operating income and expenditure except for the aforementioned items	481,262.65	
Less: impact on income tax	594,009.68	
Impact on minority shareholders' equity (post-tax)	864,292.66	
Total	9,194,501.51	--

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

Applicable Not applicable

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

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

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

In Share

Total number of common shareholders at the end of report period	8,534	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0			
Top ten shareholders						
Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of non-tradable shares held	Number of share pledged/frozen	
					State of share	Amount
China Potevio Company Limited	State-owned corporate	53.49%	115,000,000	115,000,000		
Shenwan Hongyuan Securities (Hong Kong) co., LTD	Overseas corporate	2.97%	6,386,820	0		
GUOTAI JUNAN	Overseas	2.50%	5,379,114	0		

SECURITIES(HONGKONG) LIMITED	corporate					
Zheng Enyue	Domestic nature person	1.14%	2,449,739	0		
Sun Huiming	Domestic nature person	0.93%	2,007,110	0		
Gu Jinhua	Domestic nature person	0.87%	1,871,371	0		
Guosen Securities (HK) Brokerage Company Limited	Overseas corporate	0.85%	1,828,682	0		
BOCI SECURITIES LIMITED	Overseas corporate	0.59%	1,266,945	0		
Xiang Yan	Domestic nature person	0.42%	905,602	0		
Zheng Hongquan	Domestic nature person	0.42%	905,600	0		
Particular about top ten shareholders with tradable shares held						
Shareholders	Amount of tradable shares held	Type of shares				
		Type	Amount			
Shenwan Hongyuan Securities (Hong Kong) co., LTD	6,386,820	Domestically listed foreign shares	6,386,820			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	5,379,114	Domestically listed foreign shares	5,379,114			
Zheng Enyue	2,449,739	Domestically listed foreign shares	2,449,739			
Sun Huiming	2,007,110	Domestically listed foreign shares	2,007,110			
Gu Jinhua	1,871,371	Domestically listed foreign shares	1,871,371			
Guosen Securities (HK) Brokerage	1,828,682	Domestically listed foreign	1,828,682			

Company Limited		shares	
BOCI SECURITIES LIMITED	1,266,945	Domestically listed foreign shares	1,266,945
Xiang Yan	905,602	Domestically listed foreign shares	905,602
Zheng Hongquan	905,600	Domestically listed foreign shares	905,600
Liang Wei	772,800	Domestically listed foreign shares	772,800
Explanation on associated relationship among the top ten shareholders or consistent action	Among the top ten shareholders, China Potevio Company Limited is neither a related party nor a person acting in concert with the others. It's unknown by the Company whether there are related parties or persons acting in concert among the other shareholders.		
Explanation on shareholders involving margin business about top ten common shareholders (if applicable)	N/A		

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

Yes No

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

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

Applicable Not applicable

Section III. Important events

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

√ Applicable □ Not applicable

Items	September 30, 2020/January-September 2020 (yuan)	December 31, 2019 / January to September 2019 (yuan)	Changed amount (RMB)	Change ratio	Main reasons for changes
Monetary fund	142,775,811.83	261,270,033.28	-118,494,221.45	-45.35%	Paying purchase of receivable in the Period due to the need of operation.
Bill receivable	10,319,290.58	59,653,053.58	-49,333,763.00	-82.70%	Transfer the endorsement of trade bill in the Period.
Receivable financing	100,000.00	3,821,550.77	-3,721,550.77	-97.38%	Transfer the endorsement of bank acceptance in the Period.
Stock	280,227,113.12	209,397,286.17	70,829,826.95	33.83%	During the Period, some of the projects are not approach the condition of revenue recognition, delivery of goods increased; and stock up for later phases.
Other current assets	16,127,655.17	11,610,245.99	4,517,409.18	38.91%	Input tax of the VAT to be deducted increased.
Construction in progress	19,286,278.58	13,048,701.59	6,237,576.99	47.80%	Investment for the construction project from subsidiary.
Total owner's equity attributable to the parent company	109,496,218.17	169,543,106.29	-60,046,888.12	-35.42%	Loss in the Period, and the owners' equity declined correspondingly.
Operating income	663,139,943.08	1,034,716,511.73	-371,576,568.65	-35.91%	During the reporting period, the COVID-19 and macro market environment have certain adverse effect to the Company's business development, furthermore, in order to adapt to the market change, the Company adjust the industrial structure actively, sales revenue has a y-o-y declined in the Period.
Operation costs	531,912,844.26	850,889,156.17	-318,976,311.91	-37.49%	Operation revenue declined and with the strong controls in costs, operation costs declined correspondingly.
Management	40,739,708.08	64,931,448.81	-24,191,740.73	-37.26%	The Company put more efforts on

expenses					the internal management in the Period, and strives to reduce the management expenses.
R&D expenses	34,351,953.11	50,780,178.34	-16,428,225.23	-32.35%	Affected by the COVID-19, resumption of work delayed and the R&D expenses reduced accordingly.
Other income	7,928,748.71	5,431,925.01	2,496,823.70	45.97%	Revenue from government subsidy increased on a y-o-y basis.
Asset impairment loss	-2,207,163.50		-2,207,163.50	100.00%	Loss of inventory impairment increased on a y-o-y basis.
Credit impairment loss	-5,272,892.33	75,296.00	-5,348,188.33	-7102.89%	Impairment loss of receivable increased on a y-o-y basis.
Asset disposal income	10,958,898.88	51,857.87	10,907,041.01	21032.57%	Revenue from assets disposal increased on a y-o-y basis.
Operating profit	-45,021,782.28	-66,101,632.53	21,079,850.25	31.89%	During the reporting period, sales revenue declined from a year earlier, however, due to the strong internal management and cost controlling, periodic expenses declined on a y-o-y basis; earnings from assets disposal increased on a y-o-y basis.
The total profit	-41,084,538.04	-63,844,230.26	22,759,692.22	35.65%	During the reporting period, periodic expenses declined on a y-o-y basis due to the strong internal management and operation cost control; earnings from assets disposal increased on a y-o-y basis.
Net cash flow arising from operation activities	24,308,791.38	-174,200,790.16	198,509,581.54	113.95%	Face of the adverse impact of epidemic, the Company increased the collection of payment, controls the operation risks and strictly controlled all expenses at the same time to reduce costs and increase the efficiency, the net cash flow from operation increased on a y-o-y basis.
Subtotal cash inflow from investment activities	23,424,811.00	1,616,022.97	21,808,788.03	1349.53%	Cash received from asset disposal in the Period increased on a y-o-y basis.
Net cash flow arising from investment	16,227,615.55	-6,588,145.80	22,815,761.35	346.32%	Cash received from asset disposal in the Period increased on a y-o-y

activities					basis.
Subtotal cash inflow from financing activities	172,737,283.33	381,580,273.89	-208,842,990.56	-54.73%	Some of the loans repayment is due in the Period.
Net cash flow arising from financing activities	-148,103,581.55	54,383,791.05	-202,487,372.60	-372.33%	Some of the loans repayment is due in the Period.

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

Applicable Not applicable

During the reporting period, the Company plans to transfer the 49.64% equity of stock-jointly enterprise-Putian Hi-Tech Industry Co., Ltd through listing, and the land property locates on No.1 Putian Road. And the plan of major assets reorganization released on 14 October 2020, found more in relevant notice.

Overview	Date for disclosure	Information index for temporary report disclosure
Suggestive announcement on plans of major assets reorganization	June 4, 2020	Juchao Website (www.cninfo.com.cn)
Progress of the major assets reorganization	June 18, 2020	Juchao Website (www.cninfo.com.cn)
	July 6, 2020	Juchao Website (www.cninfo.com.cn)
	July 20, 2020	Juchao Website (www.cninfo.com.cn)
	August 3, 2020	Juchao Website (www.cninfo.com.cn)
	August 17, 2020	Juchao Website (www.cninfo.com.cn)
	August 31, 2020	Juchao Website (www.cninfo.com.cn)
Progress of the major assets reorganization and adjustment of the items with reorganization concerned	September 14, 2020	Juchao Website (www.cninfo.com.cn)
Progress of the major assets reorganization	September 28, 2020	Juchao Website (www.cninfo.com.cn)
Plan for sales of major assets	October 14, 2020	Juchao Website (www.cninfo.com.cn)

Progress of shares buy-back

Applicable Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

Applicable Not applicable

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

Applicable Not applicable

There are no commitments that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or

other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period.

IV. Financial asset investment

1. Particular about security investment

Applicable Not applicable

The Company had no security investment in Period.

2. Particulars about derivatives investment

Applicable Not applicable

The Company had no derivatives investment in Period.

V. Progress of investment projects with raised funds

Applicable Not applicable

VI. Prediction of 2020 business performance

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

Applicable Not applicable

VII. Major contracts for daily operations

Applicable Not applicable

VIII. Trust financing

Applicable Not applicable

The Company had no trust financing in Period.

IX. Guarantee outside against the regulation

Applicable Not applicable

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

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

Applicable Not applicable

The Company had no non-operational fund occupation from controlling shareholders and its related party.

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

Applicable Not applicable

The Company had no receiving research, communication or interview in the report period.

Section IV. Financial Statement

I. Financial statement

1. Consolidated Balance Sheet

Prepared by Nanjing Putian Telecommunications Co., Ltd.

September 30, 2020

In RMB

Item	September 30, 2020	December 31, 2019
Current assets:		
Monetary funds	142,775,811.83	261,270,033.28
Settlement provisions		
Capital lent		
Tradable financial assets		
Derivative financial assets		
Note receivable	10,319,290.58	59,653,053.58
Account receivable	608,561,629.61	697,656,063.96
Receivable financing	100,000.00	3,821,550.77
Accounts paid in advance	34,292,697.61	33,759,523.09
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	35,051,526.91	28,110,390.53
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	280,227,113.12	209,397,286.17
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	16,127,655.17	11,610,245.99

Total current assets	1,127,455,724.83	1,305,278,147.37
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment	181,514,313.36	181,762,383.50
Investment in other equity instrument	741,953.00	741,953.00
Other non-current financial assets		
Investment real estate	7,420,089.17	7,810,210.00
Fixed assets	106,951,893.57	110,722,102.52
Construction in progress	19,286,278.58	13,048,701.59
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	27,531,249.33	28,381,246.28
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	3,968,851.34	4,260,775.18
Deferred income tax asset		
Other non-current asset		
Total non-current asset	347,414,628.35	346,727,372.07
Total assets	1,474,870,353.18	1,652,005,519.44
Current liabilities:		
Short-term loans	427,000,000.00	451,915,948.50
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable	72,716,574.70	81,784,929.91
Account payable	635,392,423.97	679,428,580.08
Accounts received in advance		22,148,080.67

Contractual liability	15,988,273.03	
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	17,576,009.70	21,602,707.70
Taxes payable	7,525,772.81	4,125,566.60
Other account payable	65,284,098.59	61,246,678.81
Including: Interest payable		
Dividend payable	1,692,213.38	12,538,813.38
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	2,926,070.53	10,820,807.35
Other current liabilities		
Total current liabilities	1,244,409,223.33	1,333,073,299.62
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	12,827,205.03	12,827,205.03
Long-term wages payable		
Accrual liability		
Deferred income	4,698,897.00	6,004,873.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	17,526,102.03	18,832,078.03

Total liabilities	1,261,935,325.36	1,351,905,377.65
Owner's equity:		
Share capital	215,000,000.00	215,000,000.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	185,374,533.85	185,374,533.85
Less: Inventory shares		
Other comprehensive income	-6,776,124.71	-6,776,124.85
Reasonable reserve		
Surplus public reserve	589,559.77	589,559.77
Provision of general risk		
Retained profit	-284,691,750.74	-224,644,862.48
Total owner's equity attributable to parent company	109,496,218.17	169,543,106.29
Minority interests	103,438,809.65	130,557,035.50
Total owner's equity	212,935,027.82	300,100,141.79
Total liabilities and owner's equity	1,474,870,353.18	1,652,005,519.44

Legal representative: Wang Wenkui

Person in charge of accounting works: Wang Huailin

Person in charge of accounting organ: Wang Huailin

2. Balance Sheet of Parent Company

In RMB

Item	September 30, 2020	December 31, 2019
Current assets:		
Monetary funds	61,854,488.36	75,513,546.51
Trading financial assets		
Derivative financial assets		
Note receivable		2,180,607.60
Account receivable	246,491,737.39	415,997,318.07
Receivable financing		2,307,438.00

Accounts paid in advance	4,050,889.88	13,234,147.98
Other account receivable	52,572,356.41	26,761,817.07
Including: Interest receivable		
Dividend receivable		
Inventories	137,001,647.79	73,809,627.64
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	8,252,459.99	2,778,241.54
Total current assets	510,223,579.82	612,582,744.41
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	332,822,064.00	333,070,134.14
Investment in other equity instrument	741,953.00	741,953.00
Other non-current financial assets		
Investment real estate		
Fixed assets	50,839,923.07	52,382,989.60
Construction in progress		
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	11,058,345.69	11,557,138.68
Research and development costs		
Goodwill		
Long-term deferred expenses	3,049,303.34	3,129,023.74
Deferred income tax assets		
Other non-current assets		
Total non-current assets	398,511,589.10	400,881,239.16
Total assets	908,735,168.92	1,013,463,983.57
Current liabilities		
Short-term borrowings	352,000,000.00	371,812,627.72

Trading financial liability		
Derivative financial liability		
Notes payable	72,716,574.70	81,784,929.91
Account payable	243,232,418.68	274,182,241.12
Accounts received in advance		7,517,427.53
Contractual liability	3,958,048.68	
Wage payable	8,024,439.64	8,135,211.34
Taxes payable	-124,183.46	199,408.61
Other accounts payable	174,894,799.45	213,090,147.71
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year	2,926,070.53	10,820,807.35
Other current liabilities		
Total current liabilities	857,628,168.22	967,542,801.29
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	12,827,205.03	12,827,205.03
Long term employee compensation payable		
Accrued liabilities		
Deferred income	1,000,000.00	1,000,000.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	13,827,205.03	13,827,205.03
Total liabilities	871,455,373.25	981,370,006.32
Owners' equity:		
Share capital	215,000,000.00	215,000,000.00
Other equity instrument		

Including: preferred stock		
Perpetual capital securities		
Capital public reserve	172,417,299.81	172,417,299.81
Less: Inventory shares		
Other comprehensive income	-1,854,910.00	-1,854,910.00
Special reserve		
Surplus reserve	589,559.76	589,559.76
Retained profit	-348,872,153.90	-354,057,972.32
Total owner's equity	37,279,795.67	32,093,977.25
Total liabilities and owner's equity	908,735,168.92	1,013,463,983.57

3. Consolidated Profit Statement (the period)

In RMB

Item	Current period	Last period
I. Total operating income	257,967,139.46	277,519,139.93
Including: Operating income	257,967,139.46	277,519,139.93
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	264,060,352.39	290,840,607.90
Including: Operating cost	204,136,851.86	217,793,388.10
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	6,207,248.99	1,479,817.40
Sales expense	24,599,016.71	30,816,177.32

Administrative expense	13,206,350.47	17,671,873.14
R&D expense	10,351,773.98	14,871,137.85
Financial expense	5,559,110.38	8,208,214.09
Including: Interest expenses	8,035,412.71	10,155,341.90
Interest income	1,006,752.42	-1,644,355.60
Add: other income	1,475,940.87	-574,917.29
Investment income (Loss is listed with “-”)	70.24	451.53
Including: Investment income on affiliated company and joint venture	70.24	451.53
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	91,428.02	743,808.60
Losses of devaluation of asset (Loss is listed with “-”)	1,091,680.66	
Income from assets disposal (Loss is listed with “-”)	10,957,654.37	-46,982.80
III. Operating profit (Loss is listed with “-”)	7,523,561.23	-13,199,107.93
Add: Non-operating income	1,450,696.04	1,234,394.90
Less: Non-operating expense	632,867.21	50,455.76
IV. Total profit (Loss is listed with “-”)	8,341,390.06	-12,015,168.79
Less: Income tax expense	2,576,042.15	-714,264.39
V. Net profit (Net loss is listed with “-”)	5,765,347.91	-11,300,904.40
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with ‘-’)	5,765,347.91	-11,300,904.40
2.termination of net profit (net loss listed with ‘-’)		

(ii) Classify by ownership		
1.Net profit attributable to owner's of parent company	-1,190,034.23	-16,033,203.08
2.Minority shareholders' gains and losses	6,955,382.14	4,732,298.68
VI. Net after-tax of other comprehensive income	724,622.93	72,045.56
Net after-tax of other comprehensive income attributable to owners of parent company	652,160.64	64,841.00
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss	652,160.64	64,841.00
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency	652,160.64	64,841.00

financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	72,462.29	7,204.56
VII. Total comprehensive income	6,489,970.84	-11,228,858.84
Total comprehensive income attributable to owners of parent Company	-537,873.59	-15,968,362.08
Total comprehensive income attributable to minority shareholders	7,027,844.43	4,739,503.24
VIII. Earnings per share:		
(i) Basic earnings per share	-0.01	-0.07
(ii) Diluted earnings per share	-0.01	-0.07

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

Legal representative: Wang Wenkui

Person in charge of accounting works: Wang Huailin

Person in charge of accounting organ: Wang Huailin

4. Profit Statement of Parent Company (the period)

In RMB

Item	Current period	Last period
I. Operating income	17,905,025.73	55,016,398.63
Less: Operating cost	17,324,245.80	46,017,065.17
Taxes and surcharge	4,732,312.21	339,926.58
Sales expenses	9,585,398.15	12,227,904.89
Administration expenses	5,916,088.89	8,590,057.27
R&D expenses	1,696,093.79	3,405,244.12
Financial expenses	4,906,458.25	7,055,637.40
Including: interest expenses	6,645,051.99	10,781,415.05
Interest income	417,428.47	63,737.62
Add: other income		
Investment income (Loss is	27,460,270.24	451.53

listed with “-”)		
Including: Investment income on affiliated Company and joint venture	70.24	451.53
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	270,233.08	-2,496,905.43
Losses of devaluation of asset (Loss is listed with “-”)	7,043.75	
Income on disposal of assets (Loss is listed with “-”)	10,980,913.53	-48,767.77
II. Operating profit (Loss is listed with “-”)	12,462,889.24	-25,164,658.47
Add: Non-operating income	221.50	26,919.61
Less: Non-operating expense	352,431.89	50,000.00
III. Total Profit (Loss is listed with “-”)	12,110,678.85	-25,187,738.86
Less: Income tax		
IV. Net profit (Net loss is listed with “-”)	12,110,678.85	-25,187,738.86
(i)continuous operating net profit (net loss listed with “-”)	12,110,678.85	-25,187,738.86
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		

3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	12,110,678.85	-25,187,738.86
VII. Earnings per share:		
(i) Basic earnings per share	0.06	-0.12
(ii) Diluted earnings per share	0.06	-0.12

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

In RMB

Item	Current Period	Last Period
I. Total operating income	663,139,943.08	1,034,716,511.73
Including: Operating income	663,139,943.08	1,034,716,511.73
Interest income		
Insurance gained		
Commission charge and		

commission income		
II. Total operating cost	719,431,447.78	1,105,935,444.51
Including: Operating cost	531,912,844.26	850,889,156.17
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	8,497,285.92	5,973,001.08
Sales expense	83,410,409.36	109,329,639.37
Administrative expense	40,739,708.08	64,931,448.81
R&D expense	34,351,953.11	50,780,178.34
Financial expense	20,519,247.05	24,032,020.74
Including: Interest expenses	23,312,330.97	22,451,433.76
Interest income	3,394,170.15	756,066.93
Add: other income	7,928,748.71	5,431,925.01
Investment income (Loss is listed with “-”)	-137,869.34	-441,778.63
Including: Investment income on affiliated company and joint venture	-137,869.34	-441,778.63
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with “-”)		
Exchange income (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	-5,272,892.33	75,296.00

Losses of devaluation of asset (Loss is listed with “-”)	-2,207,163.50	
Income from assets disposal (Loss is listed with “-”)	10,958,898.88	51,857.87
III. Operating profit (Loss is listed with “-”)	-45,021,782.28	-66,101,632.53
Add: Non-operating income	5,219,519.02	2,546,510.07
Less: Non-operating expense	1,282,274.78	289,107.80
IV. Total profit (Loss is listed with “-”)	-41,084,538.04	-63,844,230.26
Less: Income tax expense	4,818,276.07	1,352,515.26
V. Net profit (Net loss is listed with “-”)	-45,902,814.11	-65,196,745.52
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	-45,902,814.11	-65,196,745.52
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	-60,046,888.26	-73,561,727.96
2.Minority shareholders’ gains and losses	14,144,074.15	8,364,982.44
VI. Net after-tax of other comprehensive income	0.15	-55.77
Net after-tax of other comprehensive income attributable to owners of parent company	0.14	-50.20
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		

5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss	0.14	-50.20
1. Other comprehensive income under equity method that can transfer to gain/loss		
2. Change of fair value of other debt investment		
3. Amount of financial assets re-classify to other comprehensive income		
4. Credit impairment provision for other debt investment		
5. Cash flow hedging reserve		
6. Translation differences arising on translation of foreign currency financial statements	0.14	-50.20
7. Other		
Net after-tax of other comprehensive income attributable to minority shareholders	0.01	-5.57
VII. Total comprehensive income	-45,902,813.96	-65,196,801.29
Total comprehensive income attributable to owners of parent Company	-60,046,888.12	-73,561,778.16
Total comprehensive income attributable to minority shareholders	14,144,074.16	8,364,976.87
VIII. Earnings per share:		
(i) Basic earnings per share	-0.28	-0.34
(ii) Diluted earnings per share	-0.28	-0.34

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

Legal representative: Wang Wenkui

Person in charger of accounting works: Wang Huailin

Person in charge of accounting organ: Wang Huailin

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

In RMB

Item	Current Period	Last Period
I. Operating income	80,505,439.34	396,428,217.21
Less: Operating cost	79,819,319.60	367,175,356.61
Taxes and surcharge	5,285,768.64	1,313,334.89
Sales expenses	32,076,976.60	40,603,458.09
Administration expenses	18,139,468.87	33,017,518.85
R&D expenses	5,922,197.80	12,053,250.85
Financial expenses	19,403,348.62	22,010,410.75
Including: interest expenses	19,799,658.77	20,650,023.56
Interest income	865,525.33	545,584.57
Add: other income	1,262,915.62	800,000.00
Investment income (Loss is listed with “-”)	82,589,830.66	-441,778.63
Including: Investment income on affiliated Company and joint venture	-137,869.34	-441,778.63
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	-5,363,182.85	65,296.00
Losses of devaluation of asset (Loss is listed with “-”)	-3,291,800.41	
Income on disposal of assets (Loss is listed with “-”)	11,048,905.89	-40,345.94
II. Operating profit (Loss is listed with “-”)	6,105,028.12	-79,361,941.40
Add: Non-operating income	40,621.81	981,722.20
Less: Non-operating expense	959,831.51	287,491.39
III. Total Profit (Loss is listed with “-”)	5,185,818.42	-78,667,710.59

Less: Income tax	0.00	0.00
IV. Net profit (Net loss is listed with “-”)	5,185,818.42	-78,667,710.59
(i)continuous operating net profit (net loss listed with ‘-’)	5,185,818.42	-78,667,710.59
(ii) termination of net profit (net loss listed with ‘-’)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign		

currency financial statements		
7.Other		
VI. Total comprehensive income	5,185,818.42	-78,667,710.59
VII. Earnings per share:		
(i) Basic earnings per share	0.02	-0.37
(ii) Diluted earnings per share	0.02	-0.37

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

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	837,308,408.63	956,964,700.46
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received	3,783,604.26	7,497,786.72
Other cash received concerning operating activities	33,407,061.67	40,017,543.26
Subtotal of cash inflow arising from operating activities	874,499,074.56	1,004,480,030.44
Cash paid for purchasing	613,767,225.97	828,366,156.39

commodities and receiving labor service		
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	131,483,655.15	176,788,081.38
Taxes paid	34,698,634.15	60,194,143.85
Other cash paid concerning operating activities	70,240,767.91	113,332,438.98
Subtotal of cash outflow arising from operating activities	850,190,283.18	1,178,680,820.60
Net cash flows arising from operating activities	24,308,791.38	-174,200,790.16
II. Cash flows arising from investing activities:		
Cash received from recovering investment		1,183,862.97
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets	23,424,811.00	432,160.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	23,424,811.00	1,616,022.97
Cash paid for purchasing fixed, intangible and other long-term assets	7,197,195.45	8,204,168.77
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		

Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	7,197,195.45	8,204,168.77
Net cash flows arising from investing activities	16,227,615.55	-6,588,145.80
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	172,737,283.33	323,019,010.00
Other cash received concerning financing activities		58,561,263.89
Subtotal of cash inflow from financing activities	172,737,283.33	381,580,273.89
Cash paid for settling debts	220,222,119.03	283,632,574.54
Cash paid for dividend and profit distributing or interest paying	56,888,680.68	23,459,616.76
Including: Dividend and profit of minority shareholder paid by subsidiaries	38,316,995.00	
Other cash paid concerning financing activities	43,730,065.17	20,104,291.54
Subtotal of cash outflow from financing activities	320,840,864.88	327,196,482.84
Net cash flows arising from financing activities	-148,103,581.55	54,383,791.05
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	225,461.14	104,777.47
V. Net increase of cash and cash equivalents	-107,341,713.48	-126,300,367.44
Add: Balance of cash and cash equivalents at the period -begin	208,783,866.60	201,369,317.42
VI. Balance of cash and cash equivalents at the period -end	101,442,153.12	75,068,949.98

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

In RMB

Item	Current period	Last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	262,359,978.62	273,933,042.75
Write-back of tax received	135,077.85	
Other cash received concerning operating activities	69,629,151.54	32,841,184.43
Subtotal of cash inflow arising from operating activities	332,124,208.01	306,774,227.18
Cash paid for purchasing commodities and receiving labor service	158,297,750.55	202,505,864.89
Cash paid to/for staff and workers	51,401,064.00	73,169,249.50
Taxes paid	6,197,955.98	17,938,872.42
Other cash paid concerning operating activities	121,602,927.49	84,037,131.12
Subtotal of cash outflow arising from operating activities	337,499,698.02	377,651,117.93
Net cash flows arising from operating activities	-5,375,490.01	-70,876,890.75
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income	82,727,700.00	400,000.00
Net cash received from disposal of fixed, intangible and other long-term assets	23,424,011.00	75,110.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	106,151,711.00	475,110.00
Cash paid for purchasing fixed, intangible and other long-term assets	441,129.96	1,002,480.46
Cash paid for investment		
Net cash received from subsidiaries and other units obtained		

Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	441,129.96	1,002,480.46
Net cash flows arising from investing activities	105,710,581.04	-527,370.46
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	99,737,283.33	223,019,010.00
Other cash received concerning financing activities		58,561,263.89
Subtotal of cash inflow from financing activities	99,737,283.33	281,580,273.89
Cash paid for settling debts	140,222,119.03	173,622,574.54
Cash paid for dividend and profit distributing or interest paying	15,480,803.76	18,485,620.63
Other cash paid concerning financing activities	46,108,000.00	20,000,000.00
Subtotal of cash outflow from financing activities	201,810,922.79	212,108,195.17
Net cash flows arising from financing activities	-102,073,639.46	69,472,078.72
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-1,738,548.43	-1,932,182.49
Add: Balance of cash and cash equivalents at the period -begin	25,794,743.17	23,812,669.19
VI. Balance of cash and cash equivalents at the period -end	24,056,194.74	21,880,486.70

II. Explanation on financial statement adjustment

1. Financial statement adjustment at the beginning of the first year when implementation of new revenue rules and new leasing rules from 2020

Applicable Not applicable

Whether to adjust the balance sheet account at the beginning of the year

Yes No

Consolidate balance sheet

In RMB

Item	December 31, 2019	January 1, 2020	Adjustment amount
Current assets:			
Monetary funds	261,270,033.28	261,270,033.28	
Settlement provisions			
Capital lent			
Tradable financial assets			
Derivative financial assets			
Note receivable	59,653,053.58	59,653,053.58	
Account receivable	697,656,063.96	697,656,063.96	
Receivable financing	3,821,550.77	3,821,550.77	
Accounts paid in advance	33,759,523.09	33,759,523.09	
Insurance receivable			
Reinsurance receivables			
Contract reserve of reinsurance receivable			
Other account receivable	28,110,390.53	28,110,390.53	
Including: Interest receivable			
Dividend receivable			
Buying back the sale of financial assets			
Inventories	209,397,286.17	209,397,286.17	
Contractual assets			
Assets held for sale			
Non-current asset due within one year			
Other current assets	11,610,245.99	11,610,245.99	
Total current assets	1,305,278,147.37	1,305,278,147.37	
Non-current assets:			
Loans and payments on behalf			

Debt investment			
Other debt investment			
Long-term account receivable			
Long-term equity investment	181,762,383.50	181,762,383.50	
Investment in other equity instrument	741,953.00	741,953.00	
Other non-current financial assets			
Investment real estate	7,810,210.00	7,810,210.00	
Fixed assets	110,722,102.52	110,722,102.52	
Construction in progress	13,048,701.59	13,048,701.59	
Productive biological asset			
Oil and gas asset			
Right-of-use assets			
Intangible assets	28,381,246.28	28,381,246.28	
Expense on Research and Development			
Goodwill			
Long-term expenses to be apportioned	4,260,775.18	4,260,775.18	
Deferred income tax asset			
Other non-current asset			
Total non-current asset	346,727,372.07	346,727,372.07	
Total assets	1,652,005,519.44	1,652,005,519.44	
Current liabilities:			
Short-term loans	451,915,948.50	451,915,948.50	
Loan from central bank			
Capital borrowed			
Trading financial liability			
Derivative financial liability			
Note payable	81,784,929.91	81,784,929.91	

Account payable	679,428,580.08	679,428,580.08	
Accounts received in advance	22,148,080.67		-22,148,080.67
Contractual liability		22,148,080.67	22,148,080.67
Selling financial asset of repurchase			
Absorbing deposit and interbank deposit			
Security trading of agency			
Security sales of agency			
Wage payable	21,602,707.70	21,602,707.70	
Taxes payable	4,125,566.60	4,125,566.60	
Other account payable	61,246,678.81	61,246,678.81	
Including: Interest payable			
Dividend payable	12,538,813.38	12,538,813.38	
Commission charge and commission payable			
Reinsurance payable			
Liability held for sale			
Non-current liabilities due within one year	10,820,807.35	10,820,807.35	
Other current liabilities			
Total current liabilities	1,333,073,299.62	1,333,073,299.62	
Non-current liabilities:			
Insurance contract reserve			
Long-term loans			
Bonds payable			
Including: Preferred stock			
Perpetual capital securities			
Lease liability			
Long-term account	12,827,205.03	12,827,205.03	

payable			
Long-term wages payable			
Accrual liability			
Deferred income	6,004,873.00	6,004,873.00	
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	18,832,078.03	18,832,078.03	
Total liabilities	1,351,905,377.65	1,351,905,377.65	
Owner's equity:			
Share capital	215,000,000.00	215,000,000.00	
Other equity instrument			
Including: Preferred stock			
Perpetual capital securities			
Capital public reserve	185,374,533.85	185,374,533.85	
Less: Inventory shares			
Other comprehensive income	-6,776,124.85	-6,776,124.85	
Reasonable reserve			
Surplus public reserve	589,559.77	589,559.77	
Provision of general risk			
Retained profit	-224,644,862.48	-224,644,862.48	
Total owner's equity attributable to parent company	169,543,106.29	169,543,106.29	
Minority interests	130,557,035.50	130,557,035.50	
Total owner's equity	300,100,141.79	300,100,141.79	
Total liabilities and owner's equity	1,652,005,519.44	1,652,005,519.44	

Statement of adjustment

Balance Sheet of Parent Company

In RMB

Item	December 31, 2019	January 1, 2020	Adjustment amount
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Current assets:			
Monetary funds	75,513,546.51	75,513,546.51	
Trading financial assets			
Derivative financial assets			
Note receivable	2,180,607.60	2,180,607.60	
Account receivable	415,997,318.07	415,997,318.07	
Receivable financing	2,307,438.00	2,307,438.00	
Accounts paid in advance	13,234,147.98	13,234,147.98	
Other account receivable	26,761,817.07	26,761,817.07	
Including: Interest receivable			
Dividend receivable			
Inventories	73,809,627.64	73,809,627.64	
Contractual assets			
Assets held for sale			
Non-current assets maturing within one year			
Other current assets	2,778,241.54	2,778,241.54	
Total current assets	612,582,744.41	612,582,744.41	
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments	333,070,134.14	333,070,134.14	
Investment in other equity instrument	741,953.00	741,953.00	
Other non-current financial assets			
Investment real estate			
Fixed assets	52,382,989.60	52,382,989.60	
Construction in progress			

Productive biological assets			
Oil and natural gas assets			
Right-of-use assets			
Intangible assets	11,557,138.68	11,557,138.68	
Research and development costs			
Goodwill			
Long-term deferred expenses	3,129,023.74	3,129,023.74	
Deferred income tax assets			
Other non-current assets			
Total non-current assets	400,881,239.16	400,881,239.16	
Total assets	1,013,463,983.57	1,013,463,983.57	
Current liabilities			
Short-term borrowings	371,812,627.72	371,812,627.72	
Trading financial liability			
Derivative financial liability			
Notes payable	81,784,929.91	81,784,929.91	
Account payable	274,182,241.12	274,182,241.12	
Accounts received in advance	7,517,427.53		-7,517,427.53
Contractual liability		7,517,427.53	7,517,427.53
Wage payable	8,135,211.34	8,135,211.34	
Taxes payable	199,408.61	199,408.61	
Other accounts payable	213,090,147.71	213,090,147.71	
Including: Interest payable			
Dividend payable			
Liability held for sale			
Non-current liabilities due within one year	10,820,807.35	10,820,807.35	

Other current liabilities			
Total current liabilities	967,542,801.29	967,542,801.29	
Non-current liabilities:			
Long-term loans			
Bonds payable			
Including: preferred stock			
Perpetual capital securities			
Lease liability			
Long-term account payable	12,827,205.03	12,827,205.03	
Long term employee compensation payable			
Accrued liabilities			
Deferred income	1,000,000.00	1,000,000.00	
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	13,827,205.03	13,827,205.03	
Total liabilities	981,370,006.32	981,370,006.32	
Owners' equity:			
Share capital	215,000,000.00	215,000,000.00	
Other equity instrument			
Including: preferred stock			
Perpetual capital securities			
Capital public reserve	172,417,299.81	172,417,299.81	
Less: Inventory shares			
Other comprehensive income	-1,854,910.00	-1,854,910.00	
Special reserve			
Surplus reserve	589,559.76	589,559.76	
Retained profit	-354,057,972.32	-354,057,972.32	

Total owner's equity	32,093,977.25	32,093,977.25	
Total liabilities and owner's equity	1,013,463,983.57	1,013,463,983.57	

Statement of adjustment

2. Retrospective adjustment of the comparative data for initial implementation of new revenue rules and new leasing rules from 2020

Applicable Not applicable

III. Audit report

Whether the 3rd quarterly report has been audited or not

Yes No

The 3rd quarterly report of the Company has not been audited.

Board of Directors of
Nanjing Putian Telecommunications Co., Ltd.
31 October 2020