

Stock Code: 200468

Short Form of the Stock: NJ TEL B

Notice No.: 2021-017

Nanjing Putian Telecommunications Co., Ltd.

Summary of Annual Report 2020

I. Important Notice

The summary is abstract from full-text of annual report, for more details of operating results, financial condition and future development plan of the Company; investors should found in the full-text of annual report that published on media appointed by CSRC.

Other directors attending the Meeting for annual report deliberation except for the followed

Name of director absent	Title for absent director	Reasons for absent	Attorney
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Prompt of non-standard audit opinion

Applicable Not applicable

Profit distribution pre-plan of common stock or capitalizing of common reserves pre-plan deliberated by the Board in the reporting period

Applicable Not applicable

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

Profit distribution pre-plan of preferred stock deliberated and approved by the Board in the reporting period

Applicable Not applicable

II. Basic information of the company

1. Company profile

Short form of the stock	NJ TEL B	Stock code	200468
Stock exchange for listing	Shenzhen Stock Exchange		
Person/Way to contact	Secretary of the Board	Rep. of security affairs	
Name	Li Jing	Xiao Hong	
Office add.	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	
Fax.	86-25-52416518	86-25-52416518	
Tel.	86-25-69675809	86-25-69675865	
E-mail	lijing@postel.com.cn	xiaohong@postel.com.cn	

2. Main business or product introduction in the reporting period

As one of the important product and solution providers in the domestic information and communication field, the company adheres to the "product + solution + service" strategy, and continuously accelerates product innovation, industrial structure adjustment, transformation and upgrading. The main business of the company and its subsidiaries involves optical communication networks, wireless communication networks, data applications, industrial electric and other fields, including optical distribution networks and communication supporting overall solutions (ODN overall solutions, optical network intelligent solutions, energy-saving data centre solutions), multimedia communication and application solutions, building intelligent integrated solutions, industrial intelligent power distribution systems, solar street light control systems, etc. Customers include domestic telecom operators, China Tower and industry customers in government, finance, power, medical and other fields.

The company's optical distribution network and communication supporting overall solutions can be used for domestic communication network construction, broadcasting and television network transformation, high-speed rail communication construction, urban metro construction, e-commerce industry, etc.; and the data center products are widely used in data center construction projects of operators, internet and other enterprises; the subsidiary Nanjing Southern Telecom Co., Ltd. can provide remote collaboration application solutions for the large and medium-sized industry customers in the fields of government, finance, medical care, and education, and so on; the subsidiary Nanjing Putian Telege Intelligent Building Ltd. mainly provides customers with mid-to-high-end integrated wiring and intelligent application solutions; subsidiary Nanjing Nanman Electrics Co., Ltd. is oriented towards rail transit, airports, ports and other industrial sites and provides industrial intelligent power distribution products; the subsidiary Nanjing Putian Datang Information Electronic Co., Ltd. mainly provides customers with solar street lamp controllers and Internet of Things street lamp monitoring systems, etc.

The company mainly obtains business opportunities by participating in project bidding, designs plans, produces or purchases equipment required by customers according to project requirements, and is responsible for installation and debugging, and realizes profits after deducting costs in accordance with the contract price. The company's operating results are mainly affected by factors such as capital expenditures by telecom operators and industry customers, information input and bidding results, fluctuations in raw material prices and other cost changes.

The company has a complete industrial chain structure, has good R&D, production, and marketing capabilities, and has established good brand strength and influence in the industry market and the operator market. The company is now a member unit of the Jiangsu Information Innovation Industry Alliance and a member unit of the Information Technology Application Innovation Working Committee of the China Electronics Standardization Association, and has the qualification of Huawei intelligent collaboration first-level distributor. During the reporting period, Telege Building participated in the formulation and revision of six industry standards, including the national standard for generic cabling of IEC11801 and the "Data Center Infrastructure Construction and Acceptance Specification", and was awarded the "Top Ten Generic Cabling Brands" for the sixteenth consecutive year; "e Cloud. e Horizon Mo-Cloud" of Southern Telecom won the "Outstanding Innovation Application Industry Leadership Award" selected by the Posts and Telecommunications News in 2019. During the reporting period, the company actively deployed Huawei videoconferencing business and strengthened the cultivation of new businesses such as independent management software.

3. Main accounting data and financial indexes

(1) Main accounting data and financial indexes for recently three years

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

Yes No

In RMB/CNY

	2020	2019	Changes (+,-) compared with the previous year	2018
Operating revenue	1,025,243,815.83	1,338,284,194.21	-23.39%	1,995,627,772.60
Net profit attributable to shareholders of the listed Company	21,964,552.84	-169,088,516.69	112.99%	5,859,214.84
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses	-154,393,042.76	-171,904,933.41	10.19%	-21,461,955.87
Net cash flow arising from operating activities	88,145,348.87	22,686,114.91	288.54%	-155,418,733.83
Basic earnings per share (RMB/Share)	0.10	-0.79	112.66%	0.03
Diluted earnings per share (RMB/Share)	0.10	-0.79	112.66%	0.03
Weighted average ROE	12.29%	-66.55%	78.84%	1.66%
	Year-end of 2020	Year-end of 2019	Changes (+,-) compared with the year-end of previous year	Year-end of 2018
Total assets	1,167,608,410.82	1,652,005,519.44	-29.32%	2,120,744,292.41
Net assets attributable to shareholder of listed Company	189,624,160.92	169,543,106.29	11.84%	355,289,728.24

(2) Quarterly main accounting data

In RMB/CNY

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating revenue	151,862,432.34	253,310,371.28	257,967,139.46	362,103,872.75
Net profit attributable to shareholders of the listed Company	-30,609,179.61	-28,247,674.42	-1,190,034.23	82,011,441.10
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses	-33,044,537.66	-30,562,957.49	-5,633,894.62	-85,151,652.99
Net cash flow arising from operating activities	-19,005,983.54	36,658,701.57	6,656,073.35	63,836,557.49

Whether there are significant differences between the above-mentioned financial index or its total number and the relevant financial

index disclosed in the Company's quarterly report and semi-annual report

Yes No

4. Share capital and shareholders

(1) Particulars about common stock shareholders, preference shareholders with voting rights recovered and top ten shareholders

In Share

Full name of Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of shares pledged/frozen	
					State of share	Amount
China Potevio Company Limited	State-owned corporation	53.49%	115,000,000	115,000,000		
Shenwan HongYuan (H.K.) Limited	Foreign corporation	2.97%	6,386,820	0		
GUOTAI JUNAN SECURITIES (HONGKONG) LIMITED	Foreign corporation	2.50%	5,379,114	0		
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 (H.K.) Broker Co., Ltd.	Foreign corporation	0.85%	1,828,682	0		

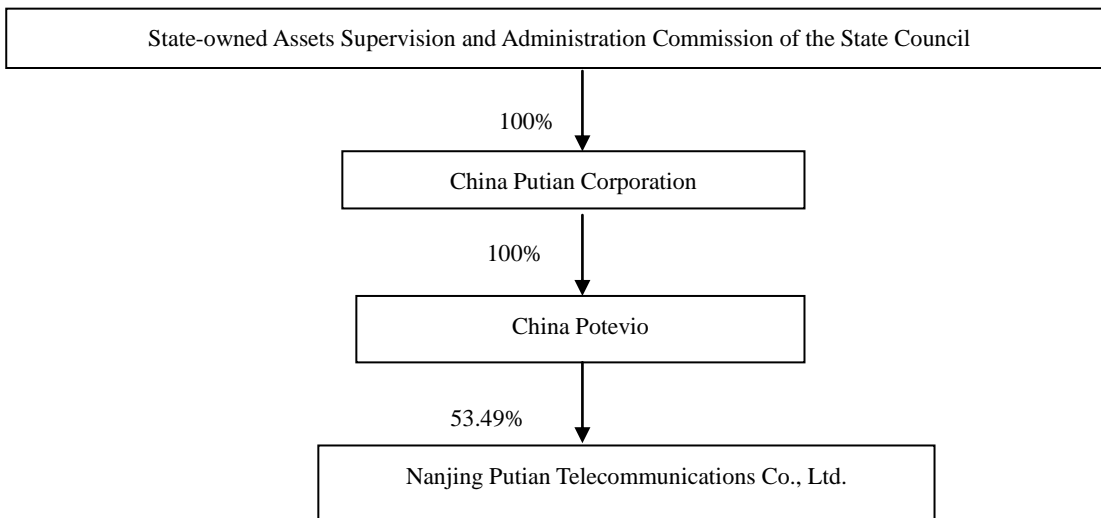
BOCI SECURITIES LIMITED	Foreign corporation	0.59%	1,266,945	0	
Xiang Yan	Domestic nature person	0.42%	905,602	0	
Zhen Hongquan	Domestic nature person	0.42%	905,600	0	
Explanation on associated relationship or concerted action among the aforesaid shareholders		Among the top ten shareholders, China Potevio 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 (if applicable)		N/A			

(2) Total preferred stock shareholders of the Company and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

The Company had no shareholders with preferred stock held in the reporting.

(3) Property right and controlling relationships between the actual controllers of the Company and the Company is as follows:



5. Corporate bonds

Whether the company has corporate bonds that have been publicly issued and listed on the stock exchange, and not yet due or due but not fully cashed on the approval date of annual report

No

III. Discussion and Analysis of Operation

1. Operation in reporting period

During the reporting period, the COVID-19 epidemic and macro market environment had a certain adverse impact on the Company's business. In addition, in order to adapt to the market changes, the company took the initiative to adjust the industrial structure, sales revenue declined from a year earlier. During the reporting period, the net profit attributable to shareholder of listed company amounted to 21.9646 million Yuan, the impact of non-recurring gains/losses on net income was 176.3576 million Yuan, mainly includes the income from disposal of non-current assets of 171.4543 million Yuan, that is transfer the subordinate enterprise's equity and land properties.

2. Whether the main business had major change in the reporting period

Yes No

3. About the industries, products, or regions accounting for over 10% of the company's operating income or operating profit

Applicable Not applicable

In RMB/CNY

Products	Operating revenue	Operating profit	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating profit y-o-y	Increase/decrease of gross profit ratio y-o-y
Main business revenue-Video conference products	314,877,571.26	54,072,481.38	17.17%	-13.73%	-30.62%	-4.18%
Main business revenue-General cabling products	357,130,844.30	79,808,566.81	22.35%	-0.59%	-12.91%	-3.16%
Main business revenue-Low-voltage distribution products	96,477,794.59	25,073,931.63	25.99%	-23.14%	-1.29%	5.75%
Main business revenue-Wiring and other products	287,776,479.36	19,074,372.56	6.63%	-8.95%	-61.21%	-8.93%
Interior offset	-55,183,049.81	-1,043,548.10	1.89%	-54.52%	3.13%	-1.13%
other business revenue	24,164,176.13	1,352,069.06	5.60%	11.92%	-68.65%	-14.38%

4. Whether the characteristics of management seasonal or cyclical need special attention

Yes No

5. In the reporting period, note of major changes in operating income, operating cost, total net profit attributable to common stock shareholders of listed company or composing the previous reporting period

Applicable Not applicable

Item	2020	2019	Increase/decrease y-o-y (RMB)	Increase/decrease y-o-y (%)
Operating revenue	1,025,243,815.83	1,338,284,194.21	-313,040,378.38	-23.39%
Operating cost	846,905,942.49	1,087,774,366.66	-240,868,424.17	-22.14%
Net profit attributable to shareholders of the listing corporation	21,964,552.84	-169,088,516.69	191,053,069.53	112.99%

During the reporting period, the COVID-19 epidemic and macro market environment had a certain adverse impact on the Company's business. In addition, in order to adapt to the market changes, the company took the initiative to adjust the industrial structure, sales revenue declined from a year earlier. During the reporting period, the net profit attributable to shareholder of listed company amounted to 21.9646 million Yuan, the impact of non-recurring gains/losses on net income was 176.3576 million Yuan, mainly includes the income from disposal of non-current assets of 171.4543 million Yuan, that is transfer the subordinate enterprise's equity and land properties.

6. Facing delisting

Applicable Not applicable

7. Relevant items involving financial report

(1) Particulars about the changes in aspect of accounting policy, estimates and calculation method compared with the financial report of last year

Applicable Not applicable

Changes in accounting policies caused by changes in Accounting Standards for Business Enterprise

1. The Company implemented the Accounting Standards for Business Enterprise No.14- Revenue (hereinafter referred to as New Revenue Standard) that revised by Ministry of Finance since 1 Jan. 2020. According to the provisions of the relevant old and new standards, the information of comparable periods is not adjusted. The cumulative impact of the implementation of new standards on the first implementation date is retrospectively adjusted to the amount of retained earnings at the beginning of the reporting period and other related items in the financial statement.

Main impact of the implementation of new revenue standards on the Company's financial statement dated 1 Jan. 2020:

Item	Balance Sheet		
	December 31, 2019	Impact of new revenue standard adjustments	January 1, 2020
Account received in advance	22,148,080.67	-22,148,080.67	
Contract liability		19,600,071.39	19,600,071.39
Other current liability		2,548,009.28	2,548,009.28

2. Since 1 Jan. 2020, the company has implemented the Interpretation of Accounting Standards for Business Enterprise No.13 issued by the Ministry of Finance in 2019, and change of the accounting policy is accounted for using the future application method.

(2) Major accounting errors within reporting period that needs retrospective restatement

Applicable Not applicable

No major accounting errors within reporting period that needs retrospective restatement for the Company in the period.

(3) Compare with last year's financial report; explain changes in consolidation statement's scope

√Applicable □ Not applicable

(i) Disposal of subsidiaries

Loss of control upon a single disposal of an investment in a subsidiary

Subsidiary	Equity disposal price	Share ratio with equity disposed (%)	Equity disposal method	Time-point of the control lost	Basis for determining the time-point at which the control is lost	The difference between the disposal price and share of the net assets of the subsidiary at the consolidated financial statement corresponding to the disposal of the investment
Nanjing Putian Information Technology Co., Ltd.	43,431,600.00	100.00	Transfer	December 25, 2020	Completed industrial & commercial changes	42,385,183.68

(ii) Change in consolidation scope for other reasons

1. Increase in scope of consolidation

Company	Way of the equity acquired	Time-point of the equity acquired	Contribution amount	Contribution ratio
Chongqing Puhua Information Technology Co., Ltd.	Establishment	July 10, 2020	2,000,000.00	100.00%

2. Decrease in scope of consolidation

Company	Way of the equity disposed	Time-point of the equity disposed	Net assets on disposal date	Net profit from the beginning of the period to the date of disposal
Nanjing Putian Wangzhi Electronic Co., Ltd	Cancel for liquidation	December 31, 2020		754,205.54
Nanjing Bada Telecommunications Equipment Co., Ltd.	Cancel for liquidation	December 31, 2020		4,301,547.02

Board of Directors of
Nanjing Putian Telecommunications Co., Ltd.
20 April 2021