

Nanjing Putian Telecommunications Co., Ltd.
2019 Third Quarterly Report

October 2019

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)	1,808,039,811.07	2,120,744,292.41	-14.75%	
Net assets attributable to shareholders of listed company (RMB)	281,727,950.08	355,289,728.24	-20.70%	
	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)	277,519,139.93	-37.71%	1,034,716,511.73	-26.74%
Net profit attributable to shareholders of the listed company (RMB)	-16,033,203.08	-101.83%	-73,561,727.96	-300.54%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-17,529,611.58	-525.19%	-76,390,167.19	-64.65%
Net cash flow arising from operating activities (RMB)	--	--	-174,200,790.16	30.78%
Basic earnings per share (RMB/Share)	-0.074	-100.00%	-0.342	-302.35%
Diluted earnings per share (RMB/Share)	-0.074	-100.00%	-0.342	-302.35%
Weighted average ROE	-5.53%	-3.17%	-23.10%	-17.72%

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)	-8,753.38	

Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	2,778,036.68	
Gains/losses of debt restructuring	897,752.10	
Other non-operating income and expenditure except for the aforementioned items	-36,400.96	
Less: impact on income tax	266,154.33	
Impact on minority shareholders' equity (post-tax)	536,040.88	
Total	2,828,439.23	--

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	8,970	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	2.63%	5,646,500	0		

GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas corporate	2.55%	5,481,913	0	
Zheng Enyue	Domestic nature person	1.14%	2,449,739	0	
Sun Huiming	Domestic nature person	0.93%	2,007,110	0	
Guosen Securities (HK) Brokerage Company Limited	Overseas corporate	0.88%	1,901,882	0	
Gu Jinhua	Domestic nature person	0.87%	1,871,371	0	
BOCI SECURITIES LIMITED	Overseas corporate	0.68%	1,466,945	0	
Xiang Yan	Domestic nature person	0.42%	910,602	0	
Zheng Hongquan	Domestic nature person	0.39%	831,500	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	5,646,500	Domestically listed foreign shares	5,646,500
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	5,481,913	Domestically listed foreign shares	5,481,913
Zheng Enyue	2,449,739	Domestically listed foreign shares	2,449,739
Sun Huiming	2,007,110	Domestically listed foreign shares	2,007,110
Guosen Securities (HK) Brokerage Company Limited	1,901,882	Domestically listed foreign shares	1,901,882

Gu Jinhua	1,871,371	Domestically listed foreign shares	1,871,371
BOCI SECURITIES LIMITED	1,466,945	Domestically listed foreign shares	1,466,945
Xiang Yan	910,602	Domestically listed foreign shares	910,602
Zheng Hongquan	831,500	Domestically listed foreign shares	831,500
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	2019-9-30 (RMB)	2018-12-31 (RMB)	Changed amount (RMB)	+,- (%)	Main reasons for major changes
Monetary fund	141,688,791.27	261,938,068.72	-120,249,277.45	-45.91%	Account paid for procurement increased in the period
Account paid in advance	32,143,134.36	188,848,712.69	-156,705,578.33	-82.98%	The invoice of procurement repaid to suppliers in earlier was collected in the period, and written down the account paid in advance
Construction in progress	17,366,462.65	9,472,383.76	7,894,078.89	83.34%	Investment for the construction of product research & manufacturing center of subsidiary Putian Datang in the period
Account received in advance	23,954,615.81	259,545,648.66	-235,591,032.85	-90.77%	Part of the products were sold to offset the account received in advance during the period
Taxes Payable	2,494,979.34	17,230,159.02	-14,735,179.68	-85.52%	VAT payable declined at end of the period
Long term payable	26,315,789.49		26,315,789.49		Carry out financial leasing business in the period, and has a balance of financial leasing payable at end of the period
Total non-current liabilities	32,320,662.49	7,296,315.00	25,024,347.49	342.97%	Carry out financial leasing business in the period, and the long-term payable increased at end of the period
Retained profit	-114,288,504.76	-40,726,776.80	-73,561,727.96	-180.62%	Loss in the reporting period, and the accumulated retained profit declined.
	From Jan. to Sept. of 2019	From Jan. to Sept. of 2018	Changed amount (RMB)	+,- (%)	
Financial expenses	24,032,020.74	16,474,946.82	7,557,073.92	45.87%	Financing interest and expenses increased on a y-o-y basis
Investment income	-441,778.63	333,659.41	-775,438.04	-232.40%	Joint-stock enterprise has more losses over that of last period

Assets disposal income	51,857.87	28,492,927.93	-28,441,070.06	-99.82%	No material assets disposal occurred in the period
Non-operation income	2,546,510.07	3,975,586.87	-1,429,076.80	-35.95%	Non-operating income as government grants reckoned into current gains/losses are declined over that of last period
Operating profit	-66,101,632.53	-8,592,622.57	-57,509,009.96	-669.28%	1. During the reporting period, the industry has in the transition-period of 4G and 5G construction, affected by the capital expenditure and purchasing policies of key customers, sales income of the Company declined over that of last period; 2. The Company strengthen risk controls and industrial restructuring in the period, and removed the venue, operating costs is higher relatively; 3. the non-recurring income decreased over that of last period.
Total profit	-63,844,230.26	-4,969,717.67	-58,874,512.59	-1184.67%	
Net profit	-65,196,745.52	-6,802,722.33	-58,394,023.19	-858.39%	
Net profit attributable to owners' of parent company	-73,561,727.96	-18,365,534.87	-55,196,193.09	-300.54%	
Net cash flow arising from operation activities	-174,200,790.16	-251,675,588.51	77,474,798.35	30.78%	
Subtotal cash inflow from investment activities	1,616,022.97	35,621,425.52	-34,005,402.55	-95.46%	The net cash collected from disposal fixed assets, intangible assets and other long-term assets in the period declined over that of last period
Net cash flow arising from investment activities	-6,588,145.80	24,138,218.08	-30,726,363.88	-127.29%	The net cash collected from disposal fixed assets, intangible assets and other long-term assets in the period declined over that of last period
Net cash flow arising from financing activities	54,383,791.05	-2,745,163.86	57,128,954.91	2081.08%	The loans paid on due in the period decreased over that of lat period
Net increase in cash and cash equivalents	-126,300,367.44	-230,374,891.34	104,074,523.90	45.18%	The net cash flow arising from operating and financing activities in the period are increased over that of last period

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

Applicable Not applicable

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. Particular about security investment

Applicable Not applicable

The Company had no security investment in Period.

V. Trust financing

Applicable Not applicable

The Company had no trust financing in Period.

VI. Particulars about derivatives investment

Applicable Not applicable

The Company had no derivatives investment in Period.

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

Applicable Not applicable

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

VII. Guarantee outside against the regulation

Applicable Not applicable

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

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

Applicable Not applicable

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

Section IV. Financial Statement

I. Financial statement

1. Consolidated Balance Sheet

Prepared by Nanjing Putian Telecommunications Co., Ltd.

In RMB

Item	2019-9-30	2018-12-31
Current assets:		
Monetary funds	141,688,791.27	261,938,068.72
Settlement provisions		
Capital lent		
Tradable financial assets		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Note receivable	33,660,917.60	46,475,656.01
Account receivable	939,330,525.77	941,068,459.35
Receivable financing		
Accounts paid in advance	32,143,134.36	188,848,712.69
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	40,271,859.67	33,734,948.67
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	256,235,777.74	286,972,632.59
Contractual assets		
Assets held for sale		
Non-current asset due within one		

year		
Other current assets	16,168,581.50	13,497,540.69
Total current assets	1,459,499,587.91	1,772,536,018.72
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Finance asset available for sales		741,953.00
Other debt investment		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	181,618,438.63	183,244,080.23
Investment in other equity instrument	741,953.00	
Other non-current financial assets		
Investment real estate	8,006,993.16	8,397,113.98
Fixed assets	108,499,135.27	112,504,807.11
Construction in progress	17,366,462.65	9,472,383.76
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	29,197,593.66	30,285,598.77
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	3,109,646.79	3,562,336.84
Deferred income tax asset		
Other non-current asset		
Total non-current asset	348,540,223.16	348,208,273.69
Total assets	1,808,039,811.07	2,120,744,292.41
Current liabilities:		
Short-term loans	462,901,567.72	445,010,000.00
Loan from central bank		
Capital borrowed		
Tradable financial liability		

Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Note payable	96,190,328.40	84,374,916.99
Account payable	699,582,470.84	743,028,953.62
Accounts received in advance	23,954,615.81	259,545,648.66
Contractual liability		
Selling financial asset of repurchase		
Absorbing deposit and inter-bank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	18,014,505.48	21,132,336.19
Taxes payable	2,494,979.34	17,230,159.02
Other account payable	49,780,012.01	55,128,492.65
Including: Interest payable	396,333.33	454,333.33
Dividend payable	2,018,213.38	2,018,213.38
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,352,918,479.60	1,625,450,507.13
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable	26,315,789.49	

Long-term wages payable		
Accrual liability		
Deferred income	6,004,873.00	7,296,315.00
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	32,320,662.49	7,296,315.00
Total liabilities	1,385,239,142.09	1,632,746,822.13
Owner's equity:		
Share capital	215,000,000.00	215,000,000.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	185,374,533.85	185,374,533.85
Less: Inventory shares		
Other comprehensive income	-4,947,638.78	-4,947,588.58
Reasonable reserve		
Surplus public reserve	589,559.77	589,559.77
Provision of general risk		
Retained profit	-114,288,504.76	-40,726,776.80
Total owner's equity attributable to parent company	281,727,950.08	355,289,728.24
Minority interests	141,072,718.90	132,707,742.04
Total owner's equity	422,800,668.98	487,997,470.28
Total liabilities and owner's equity	1,808,039,811.07	2,120,744,292.41

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	2019-9-30	2018-12-31
Current assets:		

Monetary funds	86,598,168.84	80,553,208.65
Tradable financial assets		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Note receivable	12,294,343.98	6,620,178.00
Account receivable	519,970,462.38	586,635,878.62
Receivable financing		
Accounts paid in advance	7,803,837.06	155,717,638.43
Other account receivable	31,764,192.08	31,077,389.58
Including: Interest receivable		
Dividend receivable		
Inventories	105,089,637.14	143,432,315.11
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	5,776,997.19	6,222,172.75
Total current assets	769,297,638.67	1,010,258,781.14
Non-current assets:		
Debt investment		
Available-for-sale financial assets		741,953.00
Other debt investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	332,926,189.27	333,367,967.90
Investment in other equity instrument	741,953.00	
Other non-current financial assets		
Investment real estate		
Fixed assets	47,712,149.88	50,769,872.87
Construction in progress	5,984,113.43	5,839,892.88
Productive biological assets		
Oil and natural gas assets		

Right-of-use assets		
Intangible assets	11,737,592.29	12,305,246.69
Research and development costs		
Goodwill		
Long-term deferred expenses	3,055,872.79	3,403,376.01
Deferred income tax assets		
Other non-current assets		
Total non-current assets	402,157,870.66	406,428,309.35
Total assets	1,171,455,509.33	1,416,687,090.49
Current liabilities:		
Short-term borrowings	382,901,567.72	355,000,000.00
Tradable financial liability		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable	95,817,840.05	80,759,989.55
Account payable	325,561,735.86	340,405,588.53
Accounts received in advance	4,072,334.23	227,951,168.81
Contractual liability		
Wage payable	8,874,942.68	7,854,213.23
Taxes payable	-93,008.05	8,674,579.20
Other accounts payable	197,803,079.59	187,172,612.82
Including: Interest payable	396,333.33	
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,014,938,492.08	1,207,818,152.14
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital		

securities		
Lease liability		
Long-term account payable	26,315,789.49	
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	27,315,789.49	1,000,000.00
Total liabilities	1,042,254,281.57	1,208,818,152.14
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		
Special reserve		
Surplus reserve	589,559.76	589,559.76
Retained profit	-258,805,631.81	-180,137,921.22
Total owner's equity	129,201,227.76	207,868,938.35
Total liabilities and owner's equity	1,171,455,509.33	1,416,687,090.49

3. Consolidated Profit Statement (the period)

In RMB

Item	Current Period	Last Period
I. Total operating income	277,519,139.93	445,518,808.43
Including: Operating income	277,519,139.93	445,518,808.43
Interest income		
Insurance gained		
Commission charge and commission income		

II. Total operating cost	290,840,607.90	451,010,908.82
Including: Operating cost	217,793,388.10	365,244,189.15
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	1,479,817.40	1,932,774.55
Sales expense	30,816,177.32	37,646,375.59
Administrative expense	17,671,873.14	20,948,595.48
R&D expense	14,871,137.85	18,962,492.62
Financial expense	8,208,214.09	6,276,481.43
Including: Interest expenses	10,155,341.90	6,654,462.22
Interest income	-1,644,355.60	405,484.76
Add: other income	-574,917.29	1,503,777.90
Investment income (Loss is listed with “-”)	451.53	-74,133.69
Including: Investment income on affiliated company and joint venture	451.53	-74,133.69
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 “-”)	743,808.60	
Losses of devaluation of asset (Loss is listed with “-”)		656,223.89

Income from assets disposal (Loss is listed with “-”)	-46,982.80	-1,663,890.87
III. Operating profit (Loss is listed with “-”)	-13,199,107.93	-5,070,123.16
Add: Non-operating income	1,234,394.90	1,149,732.72
Less: Non-operating expense	50,455.76	44,095.97
IV. Total profit (Loss is listed with “-”)	-12,015,168.79	-3,964,486.41
Less: Income tax expense	-714,264.39	186,886.96
V. Net profit (Net loss is listed with “-”)	-11,300,904.40	-4,151,373.37
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	-11,300,904.40	-4,151,373.37
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	-16,033,203.08	-7,943,829.27
2.Minority shareholders’ gains and losses	4,732,298.68	3,792,455.90
VI. Net after-tax of other comprehensive income	72,045.56	136,536.55
Net after-tax of other comprehensive income attributable to owners of parent company	64,841.00	122,975.85
(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	64,841.00	122,975.85

items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements	64,841.00	122,975.85
9.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	7,204.56	13,560.70
VII. Total comprehensive income	-11,228,858.84	-4,014,836.82
Total comprehensive income attributable to owners of parent Company	-15,968,362.08	-7,820,946.37
Total comprehensive income attributable to minority shareholders	4,739,503.24	3,806,109.55
VIII. Earnings per share:		
(i) Basic earnings per share	-0.074	-0.037
(ii) Diluted earnings per share	-0.074	-0.037

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	55,016,398.63	212,300,710.49
Less: Operating cost	46,017,065.17	185,380,547.20
Taxes and surcharge	339,926.58	1,218,648.39
Sales expenses	12,227,904.89	15,127,198.27
Administration expenses	8,590,057.27	9,686,875.92
R&D expenses	3,405,244.12	5,107,630.12
Financial expenses	7,055,637.40	5,692,165.34
Including: interest expenses	10,781,415.05	5,799,507.17
Interest income	63,737.62	163,300.52
Add: other income		
Investment income (Loss is listed with “-”)	451.53	4,902,566.31
Including: Investment income on affiliated Company and joint venture	451.53	-74,133.69
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 “-”)	-2,496,905.43	
Losses of devaluation of asset (Loss is listed with “-”)		
Income on disposal of assets (Loss is listed with “-”)	-48,767.77	-1,594,623.47
II. Operating profit (Loss is listed with “-”)	-25,164,658.47	-6,604,411.91

Add: Non-operating income	26,919.61	226,247.94
Less: Non-operating expense	50,000.00	4,298.87
III. Total Profit (Loss is listed with “-”)	-25,187,738.86	-6,382,462.84
Less: Income tax		
IV. Net profit (Net loss is listed with “-”)	-25,187,738.86	-6,382,462.84
(i)continuous operating net profit (net loss listed with “-”)	-25,187,738.86	-6,382,462.84
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		

5. Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6. Credit impairment provision for other debt investment		
7. Cash flow hedging reserve		
8. Translation differences arising on translation of foreign currency financial statements		
9. Other		
VI. Total comprehensive income	-25,187,738.86	-6,382,462.84
VII. Earnings per share:		
(i) Basic earnings per share	-0.117	-0.030
(ii) Diluted earnings per share	-0.117	-0.030

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

In RMB

Item	Current Period	Last Period
I. Total operating income	1,034,716,511.73	1,412,369,413.38
Including: Operating income	1,034,716,511.73	1,412,369,413.38
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	1,105,935,444.51	1,454,717,185.78
Including: Operating cost	850,889,156.17	1,189,602,884.47
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	5,973,001.08	7,597,025.09
Sales expense	109,329,639.37	117,342,559.23
Administrative expense	64,931,448.81	68,339,170.75
R&D expense	50,780,178.34	55,360,599.42
Financial expense	24,032,020.74	16,474,946.82
Including: Interest expenses	22,451,433.76	18,280,015.84
Interest income	756,066.93	2,097,501.83
Add: other income	5,431,925.01	7,303,121.76
Investment income (Loss is listed with “-”)	-441,778.63	333,659.41
Including: Investment income on affiliated company and joint venture	-441,778.63	333,659.41
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 “-”)	75,296.00	
Losses of devaluation of asset (Loss is listed with “-”)		-2,374,559.27
Income from assets disposal (Loss is listed with “-”)	51,857.87	28,492,927.93
III. Operating profit (Loss is listed with “-”)	-66,101,632.53	-8,592,622.57
Add: Non-operating income	2,546,510.07	3,975,586.87
Less: Non-operating expense	289,107.80	352,681.97
IV. Total profit (Loss is listed with “-”)	-63,844,230.26	-4,969,717.67
Less: Income tax expense	1,352,515.26	1,833,004.66
V. Net profit (Net loss is listed with “-”)	-65,196,745.52	-6,802,722.33

(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with ‘-’)	-65,196,745.52	-6,802,722.33
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	-73,561,727.96	-18,365,534.87
2.Minority shareholders’ gains and losses	8,364,982.44	11,562,812.54
VI. Net after-tax of other comprehensive income	-55.77	929.55
Net after-tax of other comprehensive income attributable to owners of parent company	-50.20	929.55
(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	-50.20	929.55
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		

4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements	-50.20	929.55
9.Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-5.57	
VII. Total comprehensive income	-65,196,801.29	-6,801,792.78
Total comprehensive income attributable to owners of parent Company	-73,561,778.16	-18,364,698.27
Total comprehensive income attributable to minority shareholders	8,364,976.87	11,562,905.49
VIII. Earnings per share:		
(i) Basic earnings per share	-0.342	-0.085
(ii) Diluted earnings per share	-0.342	-0.085

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

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

In RMB

Item	Current Period	Last Period
I. Operating income	396,428,217.21	710,107,677.73

Less: Operating cost	367,175,356.61	646,396,562.59
Taxes and surcharge	1,313,334.89	3,407,052.75
Sales expenses	40,603,458.09	48,750,963.33
Administration expenses	33,017,518.85	32,374,205.31
R&D expenses	12,053,250.85	15,267,815.70
Financial expenses	22,010,410.75	15,980,393.39
Including: interest expenses	20,650,023.56	16,156,553.75
Interest income	545,584.57	304,706.64
Add: other income	800,000.00	876,429.06
Investment income (Loss is listed with “-”)	-441,778.63	5,310,359.41
Including: Investment income on affiliated Company and joint venture	-441,778.63	333,659.41
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 “-”)	65,296.00	
Losses of devaluation of asset (Loss is listed with “-”)		-1,674,589.82
Income on disposal of assets (Loss is listed with “-”)	-40,345.94	17,314,391.94
II. Operating profit (Loss is listed with “-”)	-79,361,941.40	-30,242,724.75
Add: Non-operating income	981,722.20	2,220,793.77
Less: Non-operating expense	287,491.39	215,232.33
III. Total Profit (Loss is listed with “-”)	-78,667,710.59	-28,237,163.31
Less: Income tax		
IV. Net profit (Net loss is listed with “-”)	-78,667,710.59	-28,237,163.31
(i)continuous operating net profit (net loss listed with “-”)	-78,667,710.59	-28,237,163.31

(ii) termination of net profit (net loss listed with ‘-’)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		

8. Translation differences arising on translation of foreign currency financial statements		
9. Other		
VI. Total comprehensive income	-78,667,710.59	-28,237,163.31
VII. Earnings per share:		
(i) Basic earnings per share	-0.366	-0.131
(ii) Diluted earnings per share	-0.366	-0.131

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	956,964,700.46	1,286,615,100.29
Net increase of customer deposit and inter-bank 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	7,497,786.72	4,289,615.88

Other cash received concerning operating activities	40,017,543.26	27,943,664.20
Subtotal of cash inflow arising from operating activities	1,004,480,030.44	1,318,848,380.37
Cash paid for purchasing commodities and receiving labor service	828,366,156.39	1,178,397,147.73
Net increase of customer loans and advances		
Net increase of deposits in central bank and inter-bank		
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	176,788,081.38	185,026,140.83
Taxes paid	60,194,143.85	63,321,561.08
Other cash paid concerning operating activities	113,332,438.98	143,779,119.24
Subtotal of cash outflow arising from operating activities	1,178,680,820.60	1,570,523,968.88
Net cash flows arising from operating activities	-174,200,790.16	-251,675,588.51
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,183,862.97	
Cash received from investment income		197,567.20
Net cash received from disposal of fixed, intangible and other long-term assets	432,160.00	35,423,858.32
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning		

investing activities		
Subtotal of cash inflow from investing activities	1,616,022.97	35,621,425.52
Cash paid for purchasing fixed, intangible and other long-term assets	8,204,168.77	11,483,207.44
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	8,204,168.77	11,483,207.44
Net cash flows arising from investing activities	-6,588,145.80	24,138,218.08
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	323,019,010.00	406,510,000.00
Other cash received concerning financing activities	58,561,263.89	
Subtotal of cash inflow from financing activities	381,580,273.89	406,510,000.00
Cash paid for settling debts	283,632,574.54	385,550,000.00
Cash paid for dividend and profit distributing or interest paying	23,459,616.76	23,705,163.86
Including: Dividend and profit of minority shareholder paid by subsidiaries		5,623,300.00
Other cash paid concerning financing activities	20,104,291.54	
Subtotal of cash outflow from financing activities	327,196,482.84	409,255,163.86
Net cash flows arising from financing	54,383,791.05	-2,745,163.86

activities		
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	104,777.47	-92,357.05
V. Net increase of cash and cash equivalents	-126,300,367.44	-230,374,891.34
Add: Balance of cash and cash equivalents at the period -begin	201,369,317.42	311,331,284.54
VI. Balance of cash and cash equivalents at the period -end	75,068,949.98	80,956,393.20

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	273,933,042.75	474,185,803.43
Write-back of tax received		226,972.07
Other cash received concerning operating activities	32,841,184.43	115,782,784.40
Subtotal of cash inflow arising from operating activities	306,774,227.18	590,195,559.90
Cash paid for purchasing commodities and receiving labor service	202,505,864.89	509,750,001.16
Cash paid to/for staff and workers	73,169,249.50	76,138,859.61
Taxes paid	17,938,872.42	17,207,064.21
Other cash paid concerning operating activities	84,037,131.12	73,192,989.93
Subtotal of cash outflow arising from operating activities	377,651,117.93	676,288,914.91
Net cash flows arising from operating activities	-70,876,890.75	-86,093,355.01
II. Cash flows arising from investing activities:		
Cash received from recovering		

investment		
Cash received from investment income	400,000.00	197,567.20
Net cash received from disposal of fixed, intangible and other long-term assets	75,110.00	21,892,918.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	475,110.00	22,090,485.20
Cash paid for purchasing fixed, intangible and other long-term assets	1,002,480.46	7,474,536.72
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	1,002,480.46	7,474,536.72
Net cash flows arising from investing activities	-527,370.46	14,615,948.48
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans	223,019,010.00	312,000,000.00
Other cash received concerning financing activities	58,561,263.89	
Subtotal of cash inflow from financing activities	281,580,273.89	312,000,000.00
Cash paid for settling debts	173,622,574.54	319,000,000.00
Cash paid for dividend and profit distributing or interest paying	18,485,620.63	14,749,795.66
Other cash paid concerning financing activities	20,000,000.00	
Subtotal of cash outflow from financing	212,108,195.17	333,749,795.66

activities		
Net cash flows arising from financing activities	69,472,078.72	-21,749,795.66
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-1,932,182.49	-93,227,202.19
Add: Balance of cash and cash equivalents at the period -begin	23,812,669.19	110,026,464.66
VI. Balance of cash and cash equivalents at the period -end	21,880,486.70	16,799,262.47

II. Financial statement adjustment

1. Relevant items of the financial statement at beginning of the year when implementing the new financial instrument standards, new revenue standards or new leasing standards since 2019

√ Applicable □ Not applicable

Consolidated Balance Sheet

In RMB

Item	2018-12-31	2019-01-01	Adjustment
Current assets:			
Monetary funds	261,938,068.72	261,938,068.72	
Settlement provisions			
Capital lent			
Tradable financial assets			
Financial assets measured by fair value and with variation reckoned into current gains/losses			
Derivative financial assets			
Note receivable	46,475,656.01	46,475,656.01	
Account receivable	941,068,459.35	941,068,459.35	
Receivable financing			
Accounts paid in advance	188,848,712.69	188,848,712.69	

Insurance receivable			
Reinsurance receivables			
Contract reserve of reinsurance receivable			
Other account receivable	33,734,948.67	33,734,948.67	
Including: Interest receivable			
Dividend receivable			
Buying back the sale of financial assets			
Inventories	286,972,632.59	286,972,632.59	
Contractual assets			
Assets held for sale			
Non-current asset due within one year			
Other current assets	13,497,540.69	13,497,540.69	
Total current assets	1,772,536,018.72	1,772,536,018.72	
Non-current assets:			
Loans and payments on behalf			
Debt investment			
Finance asset available for sales	741,953.00		-741,953.00
Other debt investment			
Held-to-maturity investment			
Long-term account receivable			
Long-term equity investment	183,244,080.23	183,244,080.23	
Investment in other equity instrument		741,953.00	741,953.00
Other non-current financial assets			
Investment real estate	8,397,113.98	8,397,113.98	

Fixed assets	112,504,807.11	112,504,807.11	
Construction in progress	9,472,383.76	9,472,383.76	
Productive biological asset			
Oil and gas asset			
Right-of-use assets			
Intangible assets	30,285,598.77	30,285,598.77	
Expense on Research and Development			
Goodwill			
Long-term expenses to be apportioned	3,562,336.84	3,562,336.84	
Deferred income tax asset			
Other non-current asset			
Total non-current asset	348,208,273.69	348,208,273.69	
Total assets	2,120,744,292.41	2,120,744,292.41	
Current liabilities:			
Short-term loans	445,010,000.00	445,010,000.00	
Loan from central bank			
Capital borrowed			
Tradable financial liability			
Financial liability measured by fair value and with variation reckoned into current gains/losses			
Derivative financial liability			
Note payable	84,374,916.99	84,374,916.99	
Account payable	743,028,953.62	743,028,953.62	
Accounts received in advance	259,545,648.66	259,545,648.66	
Contractual liability			
Selling financial asset of repurchase			
Absorbing deposit and			

inter-bank deposit			
Security trading of agency			
Security sales of agency			
Wage payable	21,132,336.19	21,132,336.19	
Taxes payable	17,230,159.02	17,230,159.02	
Other account payable	55,128,492.65	55,128,492.65	
Including: Interest payable	454,333.33	454,333.33	
Dividend payable	2,018,213.38	2,018,213.38	
Commission charge and commission payable			
Reinsurance payable			
Liability held for sale			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	1,625,450,507.13	1,625,450,507.13	
Non-current liabilities:			
Insurance contract reserve			
Long-term loans			
Bonds payable			
Including: Preferred stock			
Perpetual capital securities			
Lease liability			
Long-term account payable			
Long-term wages payable			
Accrual liability			
Deferred income	7,296,315.00	7,296,315.00	
Deferred income tax liabilities			
Other non-current			

liabilities			
Total non-current liabilities	7,296,315.00	7,296,315.00	
Total liabilities	1,632,746,822.13	1,632,746,822.13	
Owner's equity:			
Share capital	215,000,000.00	215,000,000.00	
Other equity instrument			
Including: Preferred stock			
Perpetual capital securities			
Capital public reserve	185,374,533.85	185,374,533.85	
Less: Inventory shares			
Other comprehensive income	-4,947,588.58	-4,947,588.58	
Reasonable reserve			
Surplus public reserve	589,559.77	589,559.77	
Provision of general risk			
Retained profit	-40,726,776.80	-40,726,776.80	
Total owner's equity attributable to parent company	355,289,728.24	355,289,728.24	
Minority interests	132,707,742.04	132,707,742.04	
Total owner's equity	487,997,470.28	487,997,470.28	
Total liabilities and owner's equity	2,120,744,292.41	2,120,744,292.41	

Explanation

Balance Sheet of Parent Company

In RMB

Item	2018-12-31	2019-01-01	Adjustment
Current assets:			
Monetary funds	80,553,208.65	80,553,208.65	
Tradable financial assets			
Financial assets measured by fair value and with variation reckoned into current gains/losses			
Derivative financial			

assets			
Note receivable	6,620,178.00	6,620,178.00	
Account receivable	586,635,878.62	586,635,878.62	
Receivable financing			
Accounts paid in advance	155,717,638.43	155,717,638.43	
Other account receivable	31,077,389.58	31,077,389.58	
Including: Interest receivable			
Dividend receivable			
Inventories	143,432,315.11	143,432,315.11	
Contractual assets			
Assets held for sale			
Non-current assets maturing within one year			
Other current assets	6,222,172.75	6,222,172.75	
Total current assets	1,010,258,781.14	1,010,258,781.14	
Non-current assets:			
Debt investment			
Available-for-sale financial assets	741,953.00		-741,953.00
Other debt investment			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	333,367,967.90	333,367,967.90	
Investment in other equity instrument		741,953.00	741,953.00
Other non-current financial assets			
Investment real estate			
Fixed assets	50,769,872.87	50,769,872.87	
Construction in progress	5,839,892.88	5,839,892.88	
Productive biological			

assets			
Oil and natural gas assets			
Right-of-use assets			
Intangible assets	12,305,246.69	12,305,246.69	
Research and development costs			
Goodwill			
Long-term deferred expenses	3,403,376.01	3,403,376.01	
Deferred income tax assets			
Other non-current assets			
Total non-current assets	406,428,309.35	406,428,309.35	
Total assets	1,416,687,090.49	1,416,687,090.49	
Current liabilities:			
Short-term borrowings	355,000,000.00	355,000,000.00	
Tradable financial liability			
Financial liability measured by fair value and with variation reckoned into current gains/losses			
Derivative financial liability			
Notes payable	80,759,989.55	80,759,989.55	
Account payable	340,405,588.53	340,405,588.53	
Accounts received in advance	227,951,168.81	227,951,168.81	
Contractual liability			
Wage payable	7,854,213.23	7,854,213.23	
Taxes payable	8,674,579.20	8,674,579.20	
Other accounts payable	187,172,612.82	187,172,612.82	
Including: Interest payable			
Dividend payable			

Liability held for sale			
Non-current liabilities due within one year			
Other current liabilities			
Total current liabilities	1,207,818,152.14	1,207,818,152.14	
Non-current liabilities:			
Long-term loans			
Bonds payable			
Including: preferred stock			
Perpetual capital securities			
Lease liability			
Long-term account payable			
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	1,000,000.00	1,000,000.00	
Total liabilities	1,208,818,152.14	1,208,818,152.14	
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			

Special reserve			
Surplus reserve	589,559.76	589,559.76	
Retained profit	-180,137,921.22	-180,137,921.22	
Total owner's equity	207,868,938.35	207,868,938.35	
Total liabilities and owner's equity	1,416,687,090.49	1,416,687,090.49	

Explanation

2. Explanation on comparative data in the early stage of retroactive adjustment while implemented the new financial instrument standards or new leasing standards since 2019

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 2019