

Company Stock Code: 603236.SS
Short Name of the Company: Quectel



Quectel Wireless Solutions Co., Ltd.

2020 Q3 Financial Report



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1 Important Reminder

- a) The Board of Directors, Board of Supervisors as well as the Directors, Supervisors and Senior Executives of the Company hereby guarantee the authenticity, accuracy and completeness of the contents, without any misrepresentation, misleading statement or material omission, of this Report, and shall bear joint and several legal liabilities.
- b) All Directors of the Company attended the Board meeting to review this Quarterly Report.
- c) This 2020 Quectel Q3 Financial Report has not been audited.

2 Key Financial Indicators

2.1 Key Financial Indicators

Unit: Yuan Currency: RMB

	End of Reporting Period	End of last year	Fluctuation (%)
Total assets	4,154,358,882.12	2,931,973,545.61	41.69
Net assets attributable to shareholders of the Company	1,802,488,250.89	1,714,723,122.18	5.12
	From the beginning of the year to the end of Reporting Period (Jan. 2020–Sept. 2020)	From the beginning of last year to the end of last Reporting Period (Jan. 2019–Sept. 2019)	Fluctuation (%)
Net cash flow from operating activities	-520,917,259.05	-346,080,322.31	N/A
	From the beginning of the year to the end of Reporting Period (Jan. 2020–Sept. 2020)	From the beginning of last year to the end of last Reporting Period (Jan. 2019–Sept. 2019)	Fluctuation (%)
Revenue	4,208,077,542.43	2,854,863,243.66	47.40
Net profits attributable to shareholders of the Company	125,002,493.90	93,398,167.11	33.84
Net profits attributable to shareholders of the Company excluding non-recurring profit or loss	98,698,030.08	88,103,863.00	12.02
Weighted average ROE (%)	7.11	10.33	-3.22
Basic earnings per share (Yuan/share)	1.17	0.87	34.48
Diluted earnings per share (Yuan/share)	1.17	0.87	34.48

Non-recurring profit or loss items:

Unit: Yuan Currency: RMB

Item	Amount of this Reporting Period (Jul. – Sept.)	Amount from the beginning of this year to the end of Reporting Period (Jan. – Sept.)	Notes
Government subsidies counted into the current profit and loss, excluding ones that are closely related to the normal operation of the company and gained continuously at a fixed amount or quantity according to certain standards of state policies	1,810,327.19	21,576,794.24	
Profits and losses of fair value change or investment income arising from holding or dealing in trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other bonds investment, except for valid hedging business related to regular business of the company	-105,284.41	2,663,451.67	
Other non-operating incomes and expenditures apart from items listed above	4,256.60	7,068,297.31	
Impact of income tax	-252,422.89	-5,004,079.40	
Total	1,456,876.49	26,304,463.82	

3 Important Matters**3.1 Material Changes in Major Accounting Items & Financial Indicators and the Reasons Therefor**

Unit: Yuan Currency: RMB

Items in Consolidated Balance Sheet	End of Reporting Period	End of last year	Fluctuation (%)	Reasons for fluctuation
Financial assets held for trading	-	301,118,055.56	-100.00	Mainly because in the Reporting Period the Company disposed of the bank financial products it had bought last year
Accounts receivable	837,590,525.23	480,932,487.85	74.16	Mainly because of the increase of the Company's overall revenue and credit sales to customers
Accounts receivable financing	248,647,095.95	178,553,333.41	39.26	Mainly because of the increase of the Company's overall revenue and the number of customers who use notes for settlement
Prepayments	245,145,816.67	15,026,229.99	1531.45	Mainly because of the increase in the Company's prepayments for the purchase of raw materials in the Reporting Period in preparation for future production and sales expansion
Other receivables	61,919,581.40	35,718,179.44	73.36	Mainly because of the increase in refunds of export taxes
Inventories	1,308,844,188.24	724,338,080.95	80.70	Mainly because of the increase in inventories storage in preparation for future sales growth
Long-term investment equity	1,642,237.82	-	-	Mainly because of the increase in equity investments in associated companies in the Reporting Period

Fixed assets	349,654,692.88	159,112,536.14	119.75	Mainly because of new purchases of R&D equipment and factory production equipment in the Reporting Period in preparation for future production and sales expansion
Intangible assets	86,594,912.10	53,785,328.05	61.00	Mainly because of the increase in royalties in the Reporting Period in preparation for future production and sales expansion
Deferred tax assets	9,116,348.90	5,609,982.41	62.50	Mainly because of the increase in impairment provision for accounts receivable in the Reporting Period due to sales expansion, resulting in the increase in related deferred tax assets
Other non-current assets	147,939,493.15	29,002,402.10	410.09	Mainly because of the increase in the Company's prepayments for new purchases of R&D and production equipment that have not yet been received by the Company in preparation for future production and sales expansion
Short-term borrowings	904,630,215.32	236,535,945.54	282.45	Mainly because of the increase in the Company's short-term US dollar borrowings from banks in preparation for the cash needs of its overseas business

Notes payable	225,461,299.31	127,045,352.65	77.47	Mainly because in preparation for domestic and overseas business expansion, Company enlarges raw materials and finished goods storing by purchasing more raw materials and paying more processing fees using bank acceptance bills issued by itself.
Account payable	1,004,140,564.41	723,773,777.03	38.74	Mainly because in preparation for domestic and overseas business expansion, Company enlarges raw materials and finished goods storing by purchasing more raw materials and settling more processing fees
Advances from customers	-	29,136,712.76	-100.00	As per new revenue accounting standards, in the Reporting Period, the Company presented "Advances from customers" as "Contract liability"
Contract liability	68,834,222.93	-	-	Same as above
Taxes payable	3,087,264.62	4,684,557.45	-34.10	Mainly because of the payment in the Reporting Period of taxes such as stamp duty which were accrued last year
Long-term borrowings	30,000,000.00	-	-	Mainly because of the addition of three-year RMB borrowings in the Reporting Period
Items in Consolidated Income Statement	Reporting Period	Same period of last year	Fluctuation (%)	Reasons for fluctuation

Operating revenue	4,208,077,542.43	2,854,863,243.66	47.40	Mainly because the IoT industry develops rapidly and the Company incessantly innovates and optimizes its products according to market demands, leading to fast growth in its operating revenue
Costs of sales	3,352,118,086.23	2,244,593,882.20	49.34	As the Company's operating revenue grew, its costs of sales also grew in sync
Research and development expenses	437,089,495.12	222,385,683.83	96.55	Mainly because of the increase in the number of R&D employees and their salaries as the Company increased its investment in R&D projects
Other income	21,576,794.24	5,857,457.20	268.36	Mainly because of the increase in government subsidies received in the Reporting Period compared with the same period last year
Investment income	2,663,451.67	371,135.87	617.65	Mainly because of the increase in income deriving from the bank financial products bought by the Company in the Reporting Period
Asset impairment losses	-4,049,488.40	-1,255,359.56	N/A	Mainly because the inventories in the Reporting Period increased compared with the end of last year and the accrued inventory impairment increased accordingly

Non-operating income	8,424,129.58	-	-	Mainly because of the compensations received from suppliers in the Reporting Period
Non-operating expenses	1,355,832.27	-	-	Mainly because the Company made donations in the Reporting Period via the Shanghai Charity Foundation to medical workers dispatched from Shanghai to Hubei Province on the mission of the special action against COVID-19 outbreak
Income tax expenses	-3,506,366.49	-2,244,250.68	N/A	Mainly because the R&D investment increased and extra deductions for R&D expenses increased during the Reporting Period, leading to zero current period income tax for the Reporting Period. Secondly, because the assets impairment provision increased in the Reporting Period, leading to increase in related deferred tax assets
Items in Consolidated Cash Flow Statement	Reporting Period	Same period of last year	Fluctuation (%)	Reasons for fluctuation

Net cash flows from operating activities	-520,917,259.05	-346,080,322.31	N/A	Mainly because the domestic and overseas businesses expanded and the number of employees increased in the reporting period, the cash expenditures resulting from the purchase and production of inventory, employees costs and daily business operating expenses increased
Net cash flows from investing activities	-141,338,998.34	-310,682,366.33	N/A	Mainly because in the Reporting Period the Company disposed of the bank financial products it had bought last year
Net cash flows from financing activities	598,476,957.08	1,054,486,782.54	-43.24	Mainly because in last Reporting Period the Company received the equity funds raised

4 Appendix

4.1 Financial Reports

Consolidated Balance Sheet

Sept. 30, 2020

Name of enterprise: Quectel Wireless Solutions Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: not audited

Items	Sept. 30, 2020	Dec. 31, 2019
Current Assets:		
Cash and bank balances	532,231,542.44	601,191,423.32
Financial assets held for trading		301,118,055.56
Accounts receivable	837,590,525.23	480,932,487.85
Accounts receivable financing	248,647,095.95	178,553,333.41

Prepayments	245,145,816.67	15,026,229.99
Other receivables	61,919,581.40	35,718,179.44
Inventories	1,308,844,188.24	724,338,080.95
Other current assets	194,165,312.91	221,122,770.18
Total current assets	3,428,544,062.84	2,558,000,560.70
Non-current Assets:		
Long-term equity investment	1,642,237.82	
Other equity instrument investment	59,965,818.68	60,000,000.00
Fixed assets	349,654,692.88	159,112,536.14
Construction in process	15,416,532.87	21,768,111.39
Intangible assets	86,594,912.10	53,785,328.05
Long-term deferred expenses	55,484,782.88	44,694,624.82
Deferred tax assets	9,116,348.90	5,609,982.41
Other non-current assets	147,939,493.15	29,002,402.10
Total non-current assets	725,814,819.28	373,972,984.91
Total assets	4,154,358,882.12	2,931,973,545.61
Current Liabilities:		
Short-term borrowings	904,630,215.32	236,535,945.54
Notes payable	225,461,299.31	127,045,352.65
Account payable	1,004,140,564.41	723,773,777.03
Advances from customers		29,136,712.76
Contract liability	68,834,222.93	
Employee salaries payable	110,829,466.31	94,749,548.93
Taxes payable	3,087,264.62	4,684,557.45
Other payables	4,887,598.33	1,324,529.07
Total current liabilities	2,321,870,631.23	1,217,250,423.43

Non-current Liabilities:		
Long-term borrowings	30,000,000.00	
Total non-current liabilities	30,000,000.00	
Total liabilities	2,351,870,631.23	1,217,250,423.43
Shareholders' Equity:		
Share capital	107,016,000.00	89,180,000.00
Capital reserve	1,161,896,693.60	1,172,630,636.96
Other comprehensive income	271,901.87	21,323.70
Surplus reserve	35,468,387.85	35,468,387.85
Retained earnings	497,835,267.57	417,422,773.67
Total equity attributable to parent company	1,802,488,250.89	1,714,723,122.18
Total shareholders' equity	1,802,488,250.89	1,714,723,122.18
Total liabilities and shareholders' equity	4,154,358,882.12	2,931,973,545.61

Parent Company Balance Sheet

Sept. 30, 2020

Name of enterprise: Quectel Wireless Solutions Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: not audited

Items	Sept. 30, 2020	Dec. 31, 2019
Current Assets:		
Cash and bank balances	415,665,696.37	506,572,015.47
Financial assets held for trading		301,118,055.56
Accounts receivable	792,742,302.40	477,027,756.48
Accounts receivable financing	244,074,024.77	181,831,546.86
Prepayments	237,023,480.36	9,917,961.67
Other receivables	65,394,204.22	34,294,491.87
Inventories	1,269,081,291.48	722,611,632.60
Other current assets	182,663,812.53	218,383,697.24
Total current assets	3,206,644,812.13	2,451,757,157.75
Non-current Assets:		
Long-term equity investment	201,671,689.85	121,839,380.85
Fixed assets	207,484,699.51	122,061,707.77
Construction in progress	569,910.12	
Intangible assets	71,469,833.10	53,785,328.05
Long-term deferred expenses	36,883,568.09	33,897,227.17
Deferred tax assets	8,410,282.67	5,558,054.07
Other non-current assets	124,039,893.35	14,406,480.58
Total non-current assets	650,529,876.69	351,548,178.49
Total assets	3,857,174,688.82	2,803,305,336.24
Current Liabilities:		
Short-term borrowings	904,630,215.32	236,535,945.54

Notes payable	195,594,180.40	117,131,012.65
Account payable	1,017,423,688.39	763,400,302.97
Advances from customers		28,859,240.70
Contract liability	20,897,486.12	
Employee salaries payable	22,122,020.22	41,008,266.21
Taxes payable	2,354,669.55	2,973,271.06
Other payables	2,140,664.58	4,533,255.53
Total liabilities	2,165,162,924.58	1,194,441,294.66
Shareholders' Equity:		
Share capital	107,016,000.00	89,180,000.00
Capital reserve	1,161,896,693.60	1,172,630,636.96
Surplus reserve	35,468,387.85	35,468,387.85
Retained earnings	387,630,682.79	311,585,016.77
Total shareholders' equity	1,692,011,764.24	1,608,864,041.58
Total liabilities and shareholders' equity	3,857,174,688.82	2,803,305,336.24

Consolidated Income Statement

Jan. to Sept. 2020

Name of enterprise: Quectel Wireless Solutions Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: not audited

Items	3 rd quarter of 2020 (Jul. – Sept.)	3 rd quarter of 2019 (Jul. – Sept.)	First three quarters of 2020 (Jan. – Sept.)	First three quarters of 2019 (Jan. – Sept.)
I. Revenue	1,710,897,319.71	1,146,989,817.94	4,208,077,542.43	2,854,863,243.66
Including: Operating revenue	1,710,897,319.71	1,146,989,817.94	4,208,077,542.43	2,854,863,243.66
II. Total operating costs	1,651,962,771.06	1,127,965,060.56	4,097,417,083.69	2,754,951,630.19
Including: Costs of sales	1,363,152,329.57	894,655,293.46	3,352,118,086.23	2,244,593,882.20
Taxes and surcharges	2,436,262.23	1,983,860.25	6,474,062.00	5,468,935.77
Selling expenses	54,087,810.59	54,872,895.12	159,684,375.41	125,960,591.74
Administrative expenses	45,272,102.63	66,071,333.48	120,389,220.14	127,719,410.64
Research and development expenses	175,314,554.05	92,135,486.36	437,089,495.12	222,385,683.83
Finance expenses	11,699,711.99	18,246,191.89	21,661,844.79	28,823,126.01
Including: Interest expenses	3,606,669.14	1,209,784.57	10,237,152.18	4,694,363.82
Interest income	814,097.81	2,363,951.39	2,654,801.51	2,527,516.63
Add: Other income	1,810,327.19	2,997,749.70	21,576,794.24	5,857,457.20
Investment income (loss expressed with "-")	-105,284.41	133,333.33	2,663,451.67	371,135.87
Including: investment income from associated enterprises and joint ventures)	-105,284.41		-397,762.18	
Credit impairment	-7,229,355.62	-9,434,790.59	-16,285,722.07	-13,730,930.55

losses (loss expressed with "-")				
Asset impairment losses (loss expressed with "-")	-52,208.88	1,228,300.33	-4,049,488.40	-1,255,359.56
Gains/loss on asset disposal (loss expressed with "-")	-9,628.05		-137,664.08	
III. Operating profit (loss expressed with "-")	53,348,398.88	13,949,350.15	114,427,830.10	91,153,916.43
Add: Non-operating income	6,000.00		8,424,129.58	
Subtract: Non-operating expenses	1,743.40		1,355,832.27	
IV. Total profit (loss expressed with "-")	53,352,655.48	13,949,350.15	121,496,127.41	91,153,916.43
Subtract: Income tax expenses	-1,992,553.53	-1,232,681.10	-3,506,366.49	-2,244,250.68
V. Net profit (loss expressed with "-")	55,345,209.01	15,182,031.25	125,002,493.90	93,398,167.11
(1) Classified by continuing operations				
Net profit from continuing operations (loss expressed with "-")	55,345,209.01	15,182,031.25	125,002,493.90	93,398,167.11
(2) Classified by ownership				
Net profit attributable to shareholders of the parent company (loss expressed with "-")	55,345,209.01	15,182,031.25	125,002,493.90	93,398,167.11

VI. Other comprehensive income (net of tax)	131,820.15	645,086.01	250,578.17	198,386.43
A. Other net comprehensive incomes attributable to owners of the Parent	131,820.15	645,086.01	250,578.17	198,386.43
1. Other comprehensive income not to be reclassified into profit or loss	-34,181.32		-34,181.32	
(1) Changes in the fair value of other equity investments	-34,181.32		-34,181.32	
2. Other comprehensive income to be reclassified into profit or loss	166,001.47	645,086.01	284,759.49	198,386.43
(1) Changes in the fair value of other creditors investments		523,292.12		-234,890.58
(2) Foreign currency exchange reserves	166,001.47	121,793.89	284,759.49	433,277.01
VII. Total comprehensive income	55,477,029.16	15,827,117.26	125,253,072.07	93,596,553.54
A. Total comprehensive income attributable to shareholders of the parent	55,477,029.16	15,827,117.26	125,253,072.07	93,596,553.54
VIII. Earnings per share				

A. Basic earnings per share (Yuan/share)	0.52	0.14	1.17	0.87
B. Diluted earnings per share (Yuan/share)	0.52	0.14	1.17	0.87

Parent Company Income Statement

Jan. to Sept. 2020

Name of enterprise: Quectel Wireless Solutions Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: not audited

Items	3 rd quarter of 2020 (Jul. – Sept.)	3 rd quarter of 2019 (Jul. – Sept.)	First three quarters of 2020 (Jan. – Sept.)	First three quarters of 2019 (Jan. – Sept.)
I. Revenue	1,629,902,432.19	1,137,476,745.55	4,088,699,197.50	2,840,480,346.84
Subtract: Costs of sales	1,412,175,852.03	958,022,275.51	3,516,499,017.94	2,414,191,569.38
Taxes and surcharges	2,022,023.50	1,740,238.10	5,357,379.17	5,042,179.19
Selling expenses	18,945,630.44	8,347,252.89	70,986,710.11	47,825,117.85
Administrative expenses	55,066,142.00	68,447,235.88	166,972,085.51	154,281,787.05
Research and development expenses	67,501,760.78	45,344,303.54	182,659,648.87	110,078,262.59
Finance expenses	11,118,767.93	18,616,427.44	21,167,014.94	28,010,159.55
Including: Interest expenses	3,255,159.61	394,295.82	9,833,986.40	2,053,228.34
Interest income	932,306.61	2,204,728.75	2,589,559.87	2,347,664.02
Add: Other income	664,135.37	2,967,249.70	10,173,002.42	4,599,457.20
Investment income (loss expressed with “-”)		133,333.33	3,061,213.85	371,135.87
Credit impairment losses (loss expressed with “-”)	-6,441,574.19	-9,396,770.41	-14,965,368.93	-13,583,217.10
Asset impairment losses (loss expressed with “-”)	-52,208.88	1,228,300.33	-4,049,488.40	-1,255,359.56
Gains/loss on asset disposal (loss expressed with “-”)	-9,628.05		-137,664.08	
II. Operating profit (loss expressed with	57,232,979.76	31,891,125.14	119,139,035.82	71,183,287.64

“-”)				
Subtract: Non-operating expenses	1,743.40		1,355,598.40	
III. Total profit (loss expressed with “-”)	57,231,236.36	31,891,125.14	117,783,437.42	71,183,287.64
Subtract: Income tax expenses	-1,469,216.70	-1,225,270.52	-2,852,228.60	-2,225,786.50
IV. Net profit (loss expressed with “-”)	58,700,453.06	33,116,395.66	120,635,666.02	73,409,074.14
A. Net profit from continuing operations (loss expressed with “-”)	58,700,453.06	33,116,395.66	120,635,666.02	73,409,074.14
V. Net amount of other comprehensive income after tax		537,684.95		-199,656.99
A. Other comprehensive income to be reclassified into profit or loss		537,684.95		-199,656.99
(1) Changes in the fair value of other creditors investments		537,684.95		-199,656.99
VI. Total comprehensive income	58,700,453.06	33,654,080.61	120,635,666.02	73,209,417.15
VII. Earnings per share				
A. Basic earnings per share (Yuan/share)	0.55	0.31	1.13	0.69
B. Diluted earnings per share (Yuan/share)	0.55	0.31	1.13	0.69

Consolidated Cash Flow Statement

Jan. to Sept. 2020

Name of enterprise: Quectel Wireless Solutions Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: not audited

Items	First three quarters of 2020 (Jan. – Sept.)	First three quarters of 2019 (Jan. – Sept.)
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	4,350,240,431.34	2,800,062,946.32
Refunds of taxes	261,118,256.52	199,640,351.73
Cash received from other operating activities	38,695,346.81	44,023,796.92
Sub-total of cash inflows from operating activities	4,650,054,034.67	3,043,727,094.97
Cash paid for goods and services	4,500,458,763.36	2,807,859,548.97
Cash paid to and on behalf of employees	464,375,702.77	387,607,295.58
Cash paid for all types of taxes	28,825,340.12	22,241,929.26
Cash paid for other operating activities	177,311,487.47	172,098,643.47
Sub-total of cash outflows from operating activities	5,170,971,293.72	3,389,807,417.28
Net cash flows from operating activities	-520,917,259.05	-346,080,322.31
II. Cash flows from investing activities		
Cash received from disposal or returns of investments	460,000,000.00	65,000,000.00
Cash received from returns on investments	3,886,791.64	376,709.19
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	4,184.67	
Sub-total of cash inflows from investing activities	463,890,976.31	65,376,709.19
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	444,229,974.65	96,059,075.52
Cash paid for the acquisition of investment	161,000,000.00	280,000,000.00
Sub-total of cash outflows from investing activities	605,229,974.65	376,059,075.52

Net cash flows from investing activities	-141,338,998.34	-310,682,366.33
III. Cash flows from financing activities		
Cash received from absorbing investment		918,860,660.00
Cash received from borrowings	848,486,179.10	201,150,223.03
Sub-total of cash inflows from financing activities	848,486,179.10	1,120,010,883.03
Cash repayments of borrowings	198,792,113.92	61,564,240.06
Cash paid for distribution of dividends, profits or for interest expenses	51,217,108.10	3,959,860.43
Sub-total of cash outflows from financing activities	250,009,222.02	65,524,100.49
Net cash flows from financing activities	598,476,957.08	1,054,486,782.54
IV. Effect of exchange rate fluctuation on cash and cash equivalents	-1,664,028.35	1,598,677.00
V. Net increase in cash and cash equivalents	-65,443,328.66	399,322,770.90
Add: Balance of cash and cash equivalents at the beginning of the period	597,574,871.10	258,463,963.66
VI. Balance of cash and cash equivalents at the end of the period	532,131,542.44	657,786,734.56

Parent Company Cash Flow Statement

Jan. to Sept. 2020

Name of enterprise: Quectel Wireless Solutions Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: not audited

Item	First three quarters of 2020 (Jan. – Sept.)	First three quarters of 2019 (Jan. – Sept.)
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	4,224,311,314.77	2,778,237,669.92
Refunds of taxes	261,118,256.52	199,640,351.73
Cash received from other operating activities	22,762,562.29	43,190,751.98
Sub-total of cash inflows from operating activities	4,508,192,133.58	3,021,068,773.63
Cash paid for goods and services	4,697,190,172.56	3,003,068,388.57
Cash paid to and on behalf of employees	181,115,077.47	198,261,354.95
Cash paid for all types of taxes	20,216,102.70	16,545,342.43
Cash paid for other operating activities	202,426,342.81	208,371,543.77
Sub-total of cash outflows from operating activities	5,100,947,695.54	3,426,246,629.72
Net cash flows from operating activities	-592,755,561.96	-405,177,856.09
II. Cash flows from investing activities		
Cash received from disposal or returns of investments	460,000,000.00	65,000,000.00
Cash received from returns on investments	3,886,791.64	376,709.19
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	4,184.67	
Sub-total of cash inflows from investing activities	463,890,976.31	65,376,709.19
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	289,604,163.07	91,082,695.65
Cash paid for the acquisition of investment	239,832,309.00	321,523,610.85
Sub-total of cash outflows from investing activities	529,436,472.07	412,606,306.50

Net cash flows from investing activities	-65,545,495.76	-347,229,597.31
III. Cash flows from financing activities		
Cash received from absorbing investment		918,860,660.00
Cash received from borrowings	818,486,179.10	201,150,223.03
Sub-total of cash inflows from financing activities	818,486,179.10	1,120,010,883.03
Cash repayments of borrowings	198,792,113.92	42,064,240.06
Cash paid for distribution of dividends, profits or for interest expenses	50,837,701.85	1,303,016.61
Sub-total of cash outflows from financing activities	249,629,815.77	43,367,256.67
Net cash flows from financing activities	568,856,363.33	1,076,643,626.36
IV. Effect of exchange rate fluctuation on cash and cash equivalents	-1,461,624.71	908,274.00
V. Net increase in cash and cash equivalents	-90,906,319.10	325,144,446.96
Add: Balance of cash and cash equivalents at the beginning of the period	506,472,015.47	250,664,893.13
VI. Balance of cash and cash equivalents at the end of the period	415,565,696.37	575,809,340.09