

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. Main Accounting Data and 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

## 2. 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
<b>Current Assets:</b>		
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
<b>Total current assets</b>	<b>3,428,544,062.84</b>	<b>2,558,000,560.70</b>
<b>Non-current Assets:</b>		
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
<b>Total non-current assets</b>	<b>725,814,819.28</b>	<b>373,972,984.91</b>
<b>Total assets</b>	<b>4,154,358,882.12</b>	<b>2,931,973,545.61</b>

<b>Current Liabilities:</b>		
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
<b>Total current liabilities</b>	<b>2,321,870,631.23</b>	<b>1,217,250,423.43</b>
<b>Non-current Liabilities:</b>		
Long-term borrowings	30,000,000.00	
<b>Total non-current liabilities</b>	<b>30,000,000.00</b>	
<b>Total liabilities</b>	<b>2,351,870,631.23</b>	<b>1,217,250,423.43</b>
<b>Shareholders' Equity:</b>		
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
<b>Total equity attributable to parent company</b>	<b>1,802,488,250.89</b>	<b>1,714,723,122.18</b>
<b>Total shareholders' equity</b>	<b>1,802,488,250.89</b>	<b>1,714,723,122.18</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,154,358,882.12</b>	<b>2,931,973,545.61</b>

### 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 <sup>rd</sup> quarter of 2020 (Jul. – Sept.)	3 <sup>rd</sup> quarter of 2019 (Jul. – Sept.)	First three quarters of 2020 (Jan. – Sept.)	First three quarters of 2019 (Jan. – Sept.)
<b>I. Revenue</b>	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
<b>II. Total operating costs</b>	<b>1,651,962,771.06</b>	<b>1,127,965,060.56</b>	<b>4,097,417,083.69</b>	<b>2,754,951,630.19</b>
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	
<b>III. Operating profit (loss expressed with "-")</b>	<b>53,348,398.88</b>	<b>13,949,350.15</b>	<b>114,427,830.10</b>	<b>91,153,916.43</b>
Add: Non-operating income	6,000.00		8,424,129.58	
Subtract: Non-operating expenses	1,743.40		1,355,832.27	
<b>IV. Total profit (loss expressed with "-")</b>	<b>53,352,655.48</b>	<b>13,949,350.15</b>	<b>121,496,127.41</b>	<b>91,153,916.43</b>
Subtract: Income tax expenses	-1,992,553.53	-1,232,681.10	-3,506,366.49	-2,244,250.68
<b>V. Net profit (loss expressed with "-")</b>	<b>55,345,209.01</b>	<b>15,182,031.25</b>	<b>125,002,493.90</b>	<b>93,398,167.11</b>
<b>(1) Classified by continuing operations</b>				
<b>Net profit from continuing operations (loss expressed with "-")</b>	<b>55,345,209.01</b>	<b>15,182,031.25</b>	<b>125,002,493.90</b>	<b>93,398,167.11</b>
<b>(2) Classified by ownership</b>				
<b>Net profit attributable to shareholders of the parent company (loss expressed with "-")</b>	<b>55,345,209.01</b>	<b>15,182,031.25</b>	<b>125,002,493.90</b>	<b>93,398,167.11</b>

<b>VI. Other comprehensive income (net of tax)</b>	<b>131,820.15</b>	<b>645,086.01</b>	<b>250,578.17</b>	<b>198,386.43</b>
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
<b>VII. Total comprehensive income</b>	<b>55,477,029.16</b>	<b>15,827,117.26</b>	<b>125,253,072.07</b>	<b>93,596,553.54</b>
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
<b>VIII. Earnings per share</b>				



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

### 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.)
<b>I. Cash flows from operating activities</b>		
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
<b>Sub-total of cash inflows from operating activities</b>	<b>4,650,054,034.67</b>	<b>3,043,727,094.97</b>
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
<b>Sub-total of cash outflows from operating activities</b>	<b>5,170,971,293.72</b>	<b>3,389,807,417.28</b>
<b>Net cash flows from operating activities</b>	<b>-520,917,259.05</b>	<b>-346,080,322.31</b>
<b>II. Cash flows from investing activities</b>		
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	
<b>Sub-total of cash inflows from investing activities</b>	<b>463,890,976.31</b>	<b>65,376,709.19</b>
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
<b>Sub-total of cash outflows from investing activities</b>	<b>605,229,974.65</b>	<b>376,059,075.52</b>

<b>Net cash flows from investing activities</b>	<b>-141,338,998.34</b>	<b>-310,682,366.33</b>
<b>III. Cash flows from financing activities</b>		
Cash received from absorbing investment		918,860,660.00
Cash received from borrowings	848,486,179.10	201,150,223.03
<b>Sub-total of cash inflows from financing activities</b>	<b>848,486,179.10</b>	<b>1,120,010,883.03</b>
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
<b>Sub-total of cash outflows from financing activities</b>	<b>250,009,222.02</b>	<b>65,524,100.49</b>
<b>Net cash flows from financing activities</b>	<b>598,476,957.08</b>	<b>1,054,486,782.54</b>
<b>IV. Effect of exchange rate fluctuation on cash and cash equivalents</b>	<b>-1,664,028.35</b>	<b>1,598,677.00</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>-65,443,328.66</b>	<b>399,322,770.90</b>
Add: Balance of cash and cash equivalents at the beginning of the period	597,574,871.10	258,463,963.66
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>532,131,542.44</b>	<b>657,786,734.56</b>