

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



Quectel Wireless Solutions Co., Ltd.

2020 Semi-Annual Financial Report



Contents

Contents	1
1. Main Accounting Data and Financial Indicators	2
2. Financial Reports	3
Consolidated Balance Sheet	3
Consolidated Income Statement	5
Consolidated Cash Flow Statement	7

1. Main Accounting Data and Financial Indicators

Unit: Yuan Currency: RMB

	End of Reporting Period	End of last year	Fluctuation (%)
Total assets	3,989,309,233.77	2,931,973,545.61	36.06
Net assets attributable to shareholders of the Company	1,744,643,869.44	1,714,723,122.18	1.74
	Reporting Period (January – June)	Same period of last year	Fluctuation (%)
Net cash flow from operating activities	-324,358,042.90	-58,585,944.28	
Revenues	2,497,180,222.72	1,707,873,425.72	46.22
Net profits attributable to shareholders of the Company	69,657,284.89	78,216,135.86	-10.94
Net profits attributable to shareholders of the Company excluding non-recurring profit or loss	44,809,697.56	75,552,559.83	-40.69
Weighted average ROE (%)	4.03	11.23	-7.20
Basic earnings per share (Yuan/share)	0.65	0.73	-10.96
Diluted earnings per share (Yuan/share)	0.65	0.73	-10.96

2. Financial Reports

Consolidated Balance Sheet

Jun. 30, 2020

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

Unit: Yuan Currency: RMB

Items	Jun. 30, 2020	Dec. 31, 2019
Current Assets:		
Cash and bank balances	791,990,224.05	601,191,423.32
Financial assets held for trading		301,118,055.56
Accounts receivable	647,704,455.45	480,932,487.85
Accounts receivable financing	254,518,163.42	178,553,333.41
Prepayments	126,431,724.84	15,026,229.99
Other receivables	33,821,545.99	35,718,179.44
Inventories	1,375,330,627.67	724,338,080.95
Other current asset	216,777,481.14	221,122,770.18
Total current assets	3,446,574,222.56	2,558,000,560.70
Non-current Assets:		
Long-term equity investment	1,747,522.23	
Other equity instrument investment	60,000,000.00	60,000,000.00
Fixed assets	211,749,877.60	159,112,536.14
Construction in process	33,350,769.15	21,768,111.39
Intangible assets	67,954,580.69	53,785,328.05
Long-term deferred expenses	54,984,889.21	44,694,624.82
Deferred tax assets	7,123,795.37	5,609,982.41
Other non-current assets	105,823,576.96	29,002,402.10
Total non-current assets	542,735,011.21	373,972,984.91
Total assets	3,989,309,233.77	2,931,973,545.61
Current Liabilities:		

Short-term borrowings	674,320,725.80	236,535,945.54
Notes payable	169,497,867.93	127,045,352.65
Account payable	1,237,578,494.31	723,773,777.03
Advances from customers		29,136,712.76
Contract liability	24,708,236.82	
Employee salaries payable	104,555,950.68	94,749,548.93
Taxes payable	2,782,788.45	4,684,557.45
Other payables	1,221,300.34	1,324,529.07
Total current liabilities	2,214,665,364.33	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	2,244,665,364.33	1,217,250,423.43
Shareholders' equity		
Share capital	107,016,000.00	89,180,000.00
Capital reserve	1,159,529,341.31	1,172,630,636.96
Other comprehensive income	140,081.72	21,323.70
Surplus reserve	35,468,387.85	35,468,387.85
Retained earnings	442,490,058.56	417,422,773.67
Total equity attributable to parent company	1,744,643,869.44	1,714,723,122.18
Total shareholders' equity	1,744,643,869.44	1,714,723,122.18
Total liabilities and shareholders' equity	3,989,309,233.77	2,931,973,545.61

Consolidated Income Statement

Jan. to Jun. 2020

Unit: Yuan

Currency: RMB

Item	Half year of 2020	Half year of 2019
I. Revenue	2,497,180,222.72	1,707,873,425.72
Including: Operating revenue	2,497,180,222.72	1,707,873,425.72
II. Total operating costs	2,445,454,312.63	1,626,986,569.63
Including: Costs of sales	1,988,965,756.66	1,349,938,588.74
Taxes and surcharges	4,037,799.77	3,485,075.52
Selling expenses	105,596,564.82	71,087,696.62
Administrative expenses	75,117,117.51	61,648,077.16
Research and development expenses	261,774,941.07	130,250,197.47
Finance expenses	9,962,132.80	10,576,934.12
Including: Interest expenses	6,630,483.04	3,484,579.25
Interest income	1,840,703.70	163,565.24
Add: Other income	19,766,467.05	2,859,707.50
Investment income (loss expressed with "-")	2,768,736.08	237,802.54
Credit impairment losses (loss expressed with "-")	-9,056,366.45	-4,296,139.96
Asset impairment losses (loss expressed with "-")	-3,997,279.52	-2,483,659.89
Gains/loss on asset disposal (loss expressed with "-")	-128,036.03	
III. Operating profit (loss expressed with "-")	61,079,431.22	77,204,566.28
Add: Non-operating income	8,418,129.58	
Subtract: Non-operating expenses	1,354,088.87	
IV. Total profit (loss expressed with "-")	68,143,471.93	77,204,566.28
Subtract: Income tax expenses	-1,513,812.96	-1,011,569.58
V. Net profit (loss expressed with "-")	69,657,284.89	78,216,135.86

Net profit from continuing operations (loss expressed with "-")	69,657,284.89	78,216,135.86
Net profit attributable to shareholders of the parent company (loss expressed with "-")	69,657,284.89	78,216,135.86
VI. Other comprehensive income (net of tax)	118,758.02	-446,699.58
A. Other net comprehensive incomes attributable to owners of the Parent	118,758.02	-446,699.58
1. Other comprehensive income to be reclassified into profit or loss	118,758.02	-446,699.58
(1) Changes in the fair value of other debt investments		-758,182.70
(2) Foreign currency exchange reserves	118,758.02	311,483.12
VII. Total comprehensive income	69,776,042.91	77,769,436.28
A. Total comprehensive income attributable to shareholders of the parent	69,776,042.91	77,769,436.28
VIII. Earnings per share		
A. Basic earnings per share (Yuan/share)	0.65	0.73
B. Diluted earnings per share (Yuan/share)	0.65	0.73

Consolidated Cash Flow Statement

Jan. to Jun. 2020

Unit: Yuan

Currency: RMB

Item	Half year of 2020	Half year of 2019
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	2,566,309,779.74	1,676,805,445.33
Refunds of taxes	160,731,251.29	129,572,181.11
Cash received from other operating activities	31,551,495.88	37,306,879.17
Sub-total of cash inflows from operating activities	2,758,592,526.91	1,843,684,505.61
Cash paid for goods and services	2,656,153,296.24	1,575,695,584.62
Cash paid to and on behalf of employees	290,826,818.46	228,028,626.43
Cash paid for all types of taxes	19,858,866.60	31,180,476.96
Cash paid for other operating activities	116,111,588.51	67,365,761.88
Sub-total of cash outflows from operating activities	3,082,950,569.81	1,902,270,449.89
Net cash flows from operating activities	-324,358,042.90	-58,585,944.28
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	1,600.00	
Sub-total of cash inflows from investing activities	463,888,391.64	65,376,709.19
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	204,497,076.46	87,200,353.45
Cash paid for the acquisition of investment	161,000,000.00	124,500,000.00
Sub-total of cash outflows from investing activities	365,497,076.46	211,700,353.45
Net cash flows from investing activities	98,391,315.18	-146,323,644.26
III. Cash flows from financing activities		

Cash received from borrowings	642,594,901.49	136,981,135.26
Sub-total of cash inflows from financing activities	642,594,901.49	136,981,135.26
Cash repayments of borrowings	176,840,662.94	60,653,308.92
Cash paid for distribution of dividends, profits or for interest expenses	49,189,941.33	2,951,667.35
Sub-total of cash outflows from financing activities	226,030,604.27	63,604,976.27
Net cash flows from financing activities	416,564,297.22	73,376,158.99
IV. Effect of exchange rate fluctuation on cash and cash equivalents	974,022.05	89,637.00
V. Net increase in cash and cash equivalents	191,571,591.55	-131,443,792.55
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	789,146,462.65	127,020,171.11