

Stock Code: 000025,200025

No.:2017-071

Short Form of Stock: Tellus A, Tellus B

Shenzhen Tellus Holding Co., Ltd.

Summary of Semi-Annual Report 2017

1. Important Notice

The summary of semi-annual report is excerpted from the full text of the semi-annual report. For the details, investors should carefully read the full text of the semi-annual report published on Juchao Information website (www.cninfo.com.cn) and Shenzhen Stock Exchange Website etc., appointed by CSRC.

Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Shenzhen Tellus Holding 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 directors are attended the Board Meeting for report deliberation.

Prompt of non-standard audit opinion

Applicable Not applicable

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

Applicable Not applicable

There is no plan of cash bonus, dividend distribution and capitalizing of common reserves carried out by the Company

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

Applicable Not applicable

II. Company profile

1. Company profile

Short form of the stock	Tellus-A, Tellus-B	Stock code	000025, 200025
Stock exchange for listing	Shenzhen Stock Exchange		
Person/Way to contact	Secretary of the Board	Rep. of security affairs	
Name	Qi Peng	Sun Bolun	
Office add.	15/F, CNNC Building, Shennan Middle Road, Futian District, Shenzhen	15/F, CNNC Building, Shennan Middle Road, Futian District, Shenzhen	
Tel.	(0755)83989378	(0755)83989339	
E-mail	ir@tellus.cn	sunbl@tellus.cn	

2. Main financial data and indexes

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

Yes No

	Current period	Same period of last year	Changes over last year
Operating income (RMB)	160,984,104.56	157,147,166.48	2.44%
Net profit attributable to shareholders of the listed Company(RMB)	24,596,905.09	17,747,952.63	38.59%
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses(RMB)	17,705,046.11	15,449,772.01	14.60%
Net cash flow arising from operating activities(RMB)	7,380,561.40	23,971,506.36	-69.21%
Basic earnings per share (RMB/Share)	0.0827	0.0597	38.53%
Diluted earnings per share (RMB/Share)	0.0827	0.0597	38.53%
Weighted average ROE	2.71%	2.02%	0.69%
	Period-end	Period-end of last year	Changes over period-end of last year
Total assets (RMB)	1,217,998,855.68	1,189,001,074.98	2.44%
Net assets attributable to shareholder of listed Company (RMB)	920,993,189.04	895,362,614.95	2.86%

3. Number of shares and share-holding

In Share

Total common stock shareholders in reporting period-end	65,094		Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0		
Top ten shareholders						
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Shenzhen Special Development Group Co., Ltd.	State-owned corporation	49.09%	145,925,256	6,000,000		
Shenzhen Capital Fortune Jewelry Industry Investment Enterprise (limited)	Domestic non state-owned corporate	23.88%	71,000,000	71,000,000		

partnership)						
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	0.88%	1,241,440			
Li Guangxin	Domestic nature person	0.26%	761,161			
Weng Zhengwen	Foreign nature person	0.19%	579,528			
He Xing	Domestic nature person	0.10%	300,100			
Zeng Huiming	Foreign nature person	0.09%	270,000			
Huang Chuyun	Domestic nature person	0.09%	266,500			
Agricultural Bank of China Ltd. – CSI 500 ETF	Other	0.08%	242,400			
Lin Fengfang	Domestic nature person	0.07%	216,933			
Explanation on associated relationship among the top ten shareholders or consistent action	Among the top ten shareholders, there exists no associated relationship between the state-owned legal person's shareholders SDG, Ltd and other shareholders, and they do not belong to the consistent actionist regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Companies. For the other shareholders of circulation share, the Company is unknown whether they belong to the consistent actionist.					
Explanation on involving margin business(if applicable)	N/A					

4. Changes of controlling shareholders or actual controller

Controlling shareholder changed in the Period

Applicable Not applicable

Controlling shareholders had no change in reporting period.

Actual controller changed in the Period

Applicable Not applicable

Actual controller had no change in reporting period.

5. Total preferred shareholders and top 10 shares held by preferred shareholders

Applicable Not applicable

The Company has no preferred shareholders

6. Corporate bond

Whether the Company has a corporation bonds that issuance publicly and listed on stock exchange and without due on the date when semi-annual report approved for released or fail to cash in full on due

No

III. Discussion and analysis of operation

1. Operation status in the period

Does the Company need to comply with the disclosure requirements of the special industry

No

The main business of the company during the reporting period was auto sales; auto testing, maintenance and accessories sales; property leasing and service business. During the reporting period, under the leadership of the Board of Directors, the company took innovation-driven development as the guiding principle, actively promoted the company's strategic transformation in accordance with the company's strategic planning, ensured the sound development of existing main business, accelerated to implement the new business model and ensured the smooth implementation of strategic transformation through the overall allocation of resources.

During the reporting period, under the general background of continued downturn in the marketing environment, the Company achieved good operating results by innovating ideas, integrating business, exploring the greatest potential of stock business, and giving play to the basic support role of the original business, and the total profit and the net profit attributable to the parent company raised substantially over the same period last year. From January to June 2017, the company achieved operating income of RMB 160,984,100, an increase of RMB 3,836,900 or 2.44% compared with RMB 157,147,200 in the same period of last year; the total profit was RMB 24,025,100, an increase of RMB 5,457,700 or 29.39% compared with RMB 18,567,400 in the same period of last year; net profit attributable to the parent company was RMB 24,596,900, an increase of RMB 6,849,000 or 38.59% compared with RMB 17,748,000 in the same period of last year. The main reason for the increase of the total profit and the net profit attributable to the parent company over the same period last year was because of the increase in the property leasing income and the investment income from equity transfer.

On the basis of the steady and healthy development of the current main business, the transformation of Tellus Group has also entered the implementation stage. During the reporting period, Anhui Tellus Starlight Jinzun Jewelry Co., Ltd. which was established for entering the retail market of jewelry market has been opened for business; Sichuan Tellus Jewelry Technology Co., Ltd., the regional channel platform project of jewelry market channel, has completed the industrial and commercial registration, and shall carry out business soon; Tellus Shuibe Jewelry Building phase I project which aimed at the jewelry physical platform has entered the investment attraction stage and is predicted to put into use before the end of 2017. In the second half of 2017, Tellus Group will continue to explore new ideas, develop steadily, and strive to complete the annual economic indicators.

Change of main financial data on a y-o-y basis

In RMB

	Current period	Same period of last year	y-o-y changes (+,-)	Reasons
Operation revenue	160,984,104.56	157,147,166.48	2.44%	Revenue from vehicle sales increased from a year earlier, particularly the high and mid grade vehicles; and rental revenue increased
Operation costs	118,024,813.96	112,822,380.88	4.61%	Operating costs increased for the vehicle sales increased, and furthermore, leasing costs from the new Tellus Starlight Company increased from a year earlier
Sales expense	6,883,605.25	7,399,760.23	-6.98%	
Management expense	19,352,021.76	20,805,027.12	-6.98%	
Financial expense	26,460.54	289,000.78	-90.84%	Interest expenditure declined after SDG loans are paid
Income tax expense	623,687.09	597,869.12	4.32%	
Net cash flow arising from operation activities	7,380,561.40	23,971,506.36	-69.21%	The new Tellus Starlight paid margins of the goods to Chow Tai Fook and at end of May in the period, the net cash flow from operation declined for the property company transferred
Net cash flow arising from investment activities	-84,354,916.88	24,320,840.63		Financing products investment increased from a year earlier
Net cash flow arising from financing activities	21,709,660.64	-16,495,591.67		Loans of engineering increased and minority investment for Tellus Starlight Company increased in the period; while loans interest paid to SDG at same period of

				last year
Net increase of cash and cash equivalent	-55,264,848.22	31,796,882.13		
Investment earnings	9,636,578.24	5,100,570.96	88.93%	Earnings from subsidiary's equity transfer increased

2. Matters relevant to financial report

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

Applicable Not applicable

The Company had no particulars about the changes in aspect of accounting policy, estimates or calculation method in the reporting period.

(2) Particulars about retroactive restatement on major correction for accounting errors in reporting period

Applicable Not applicable

The company had no particulars about retroactive restatement on major correction for accounting errors in the reporting period.

(3) Particulars about the change of consolidation range compared with the accounting period of last year

Applicable Not applicable

One subsidiary disposed in the period -Shenzhen Tellus SDG Property Management Co., Ltd. through negotiating transfer. Tellus Property did not included in consolidation statement socpe after euqity transferred. Found more in relevant Notice No.: 2017-039 released on Securities Times, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn)