

Stock Code: 200468

Short Form of the Stock: NJTEL-B

Notice No.: 2018-056

# Nanjing Putian Telecommunications Co., Ltd.

## Summary of Semi-Annual Report 2018

### I. Important Notice

The summary is abstract from full-text of annual report, for more details of operating results, financial condition and future development plan of the Company; investors should found in the full-text of annual report that published on media appointed by CSRC.

Objection statement of directors, supervisors and senior executives

Name	Position	Content and reason
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Statement

Other directors attending the Meeting for annual report deliberation except for the followed

Name of director absent	Title for absent director	Reasons for absent	Attorney
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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

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve.

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

Applicable  Not applicable

### II. Basic information of the company

#### 1. Company profile

Short form of the stock	NJ TEL- B	Stock code	200468
Stock exchange for listing	Shenzhen Stock Exchange		
Person/Way to contact	Secretary of the Board	Rep. of security affairs	
Name	Li Jing	Xiao Hong	
Office add.	No. 1 Putian Road, Qinhuai District Nanjing, Jiangsu Province	No. 1 Putian Road, Qinhuai District Nanjing, Jiangsu Province	
Tel.	86-25-58962308	86-25-58962072	
E-mail	lijing@postel.com.cn	xiaohong@postel.com.cn	

#### 2. Main accounting data and Changes of shareholders

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

√ Yes □ No

Reasons of retroactive adjustment or re-statement

Accounting errors correction

	Current period	Same period of last year		Increase/decrease in this report y-o-y
		Before the adjustment	After the adjustment	After the adjustment
Operating revenue (RMB)	966,850,604.95	1,012,396,407.39	1,012,396,407.39	-4.50%
Net profit attributable to shareholders of the listed Company (RMB)	-10,421,705.60	-13,246,723.63	-13,246,723.63	21.33%
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses (RMB)	-43,592,615.47	-14,283,773.58	-14,283,773.58	-205.19%
Net cash flow arising from operating activities (RMB)	-225,275,228.93	-136,164,593.81	-136,164,593.81	-65.44%
Basic earnings per share (RMB/Share)	-0.05	-0.06	-0.06	16.67%
Diluted earnings per share (RMB/Share)	-0.05	-0.06	-0.06	16.67%
Weighted average ROE	-3.02%	-3.98%	-3.98%	0.96%
	End of current period	End of last period		Increase/decrease in this report-end over that of last period-end
		Before the adjustment	After the adjustment	After the adjustment
Total assets (RMB)	2,110,657,325.69	2,116,312,318.51	2,114,332,229.50	-0.17%
Net assets attributable to shareholder of listed Company (RMB)	339,704,730.63	352,228,571.54	350,248,482.53	-3.01%

Reasons of accounting policy change and accounting error correction

According to the relevant requirements addressed by the Jiangsu Securities Regulatory Bureau in the Decision Relating to Issue of Warning Letter to Nanjing Potevio Communication Co., Ltd. on 10 July 2018, the Company made correction to the accounting errors for the financial statements for the years 2014 to 2017 under retrospective restatement method as discussed and approved at the 10<sup>th</sup> meeting of the 7<sup>th</sup> session of the board of the Company held on 13 July 2018. For details, please refer to the Announcement dated 14 July 2018 relating to correction of prior accounting errors and the announcement dated 1 August 2018 relating to correction of the annual report for 2017.

### 3. Number of shares and shares held

In Share

Total common shareholders at period-end		8,326		Total preference shareholders with voting rights recovered at end of reporting period (if applicable)		0	
To ten shareholders							
Shareholders	Nature of shareholder	Proportion of shares held	Number of shares held	Number of non-circulation stock held	Number of share pledged/frozen		
					State of share	Amount	
China Potevio Company Limited	State-owned corporation	53.49%	115,000,000	115,000,000			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign corporation	4.46%	9,596,527	0			
Shenwan HongYuan	Foreign	4.46%	9,587,925	0			

(H.K.) Limited	corporation					
Zhang Huaian	Domestic nature person	1.31%	2,807,000	0		
Zheng Enyue	Domestic nature person	1.12%	2,405,739	0		
Sun Huiming	Domestic nature person	0.93%	2,007,110	0		
Guosen Securities (H.K.) Broker Co., Ltd.	Foreign corporation	0.87%	1,861,882	0		
Gu Jinhua	Domestic nature person	0.83%	1,783,771	0		
BOCI SECURITIES LIMITED	Foreign corporation	0.80%	1,716,945	0		
LI SHERYN ZHAN MING	Foreign nature person	0.53%	1,145,000	0		
Explanation on associated relationship among the aforesaid shareholders	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.					
Shareholders involving margin business (if applicable)	N/A					

#### 4. Changes of controlling shareholders or actual controller

Changes of controlling shareholders in reporting period

Applicable  Not applicable

Controlling shareholder of the Company has no changed in the Period

Changes of actual controller in reporting period

Applicable  Not applicable

Actual controller of the Company has no changed in the Period

#### 5. Total preferred stock shareholders of the Company and shares held by top ten shareholders with preferred stock held

Applicable  Not applicable

No preferred stock in reporting period.

#### 6. Corporation Bonds

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

No

### III. Discussion and Analysis of Operation

#### 1. Operation in the period (brief)

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

No

During the reporting period, the Company adhered to the general working policy of seeking for steady progress, deepened reform and innovation under the annual operating tasks, focused on improving quality and efficiency, promoted the steady development of traditional industries, and positively arranged development of new industries. In general, completion of the budget for the first half of the year was basically normal, industrial restructuring continued to advance, and the Company maintained an orderly production and operation. Maintain a healthy and orderly development trend. In the first half of 2018, the Company realized operating income of RMB967 million, with a decrease of 4.50% compared with the same period of the previous year; net profit attributable to shareholders of listed company RMB(10,421,700) million, with a decrease of RMB(2.825) million in loss.

Y-o-y changes of main financial data

In RMB

	Current period	Same period of last year	Y-o-y increase/decrease	Reasons for changes
Operating revenue	966,850,604.95	1,012,396,407.39	-4.50%	
Operating costs	824,358,695.32	854,596,490.18	-3.54%	
Sales expenses	79,696,183.64	79,331,110.14	0.46%	
Administration expenses	83,788,682.07	72,960,165.72	14.84%	
Finance expenses	10,198,465.39	8,701,588.82	17.20%	
Income tax expenses	1,646,117.70	3,203,411.84	-48.61%	Profit from subsidiary declined on a y-o-y basis
R & D revenue	35,816,398.34	29,700,022.89	20.59%	
Net cash flow arising from operating activities	-225,275,228.93	-136,164,593.81	-65.44%	Capital return in the period declined from a year earlier
Net cash flow arising from investment activities	22,505,195.83	-24,348,894.33	192.43%	The Company and subsidiary Bada Communication received a levy compensation in the period, thus the net cash flow arising from investment activities increased
Net cash flow arising from financing activities	49,041,298.97	-114,844,078.68	142.70%	Bank loans increased from a year earlier
Net increase of cash and cash equivalent	-153,821,091.18	-275,380,802.71	44.14%	The cash flow from investment and financing activities increased on a y-o-y basis in the period
Investment income	407,793.10	-618,093.05	165.98%	Profit from joint-stock enterprise increased on a y-o-y basis
Assets disposal income	30,156,818.80	-663,364.82	4,646.04%	Part of the house from the Company and subsidiary Bada Communication are collected by the government in the period, expropriation compensation received in the period
Other income	5,799,343.86	2,784,809.60	108.25%	The government grant with routine activities concerned recognized in the period increased on a y-o-y basis
Operation profit	-3,522,499.41	-7,885,653.07	55.33%	Impact by relocation of part of the operational entities site and internal revolution adjustment as well as the R&D input, the operation revenue has a y-o-y declined and
Total profit	-1,005,231.26	-5,382,365.36	81.32%	
Net profit	-2,651,348.96	-8,585,777.20	69.12%	
Net profit attributable to the owner of the parent	-10,421,705.60	-13,246,723.63	21.33%	

Company				period charge growth on a y-o-y basis; the income of assets disposal increased due to the expropriation compensation received in the period
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## 2. Relevant items involving financial report

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

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) Major accounting errors within reporting period that needs retrospective restatement

Applicable  Not applicable

According to the relevant requirements addressed by the Jiangsu Securities Regulatory Bureau in the Decision Relating to Issue of Warning Letter to Nanjing Potevio Communication Co., Ltd. on 10 July 2018, the Company made correction to the accounting errors for the financial statements for the years 2014 to 2017 and the third quarter of 2017 under retrospective restatement method as discussed and approved at the 10<sup>th</sup> meeting of the 7<sup>th</sup> session of the board of the Company held on 13 July 2018. For details, please refer to the Announcement dated 14 July 2018 relating to correction of prior accounting errors.

### (3) Particulars about the change of consolidation range compared with the financial report of last fiscal period

Applicable  Not applicable

The Company had no change of consolidation range in reporting period.

Board of Directors of  
Nanjing Putian Telecommunications Co., Ltd.  
28 August 2018