Nanjing Putian Telecommunications Co., Ltd.
Summary of Semi-Annual Report 2016

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.

Company profile

Short form for share	*ST NJ TEL B	Code for share	200468
Listing stock exchange	Shenzhen Stock Exchange		
Contact person and ways	Secretary of the Board		Rep. of securities affairs
Name	Zhang Shenwei		Xiao Hong
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2. Main accounting data and Changes of shareholders

(1)Main accounting data

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not

□Yes √ No

	Current period	Same period of last year	Increase/decrease in this report y-o-y (%)
Operating revenue (RMB)	834,739,223.47	920,291,331.61	-9.30%
Net profit attributable to shareholders of the listed company(RMB)	-21,109,095.63	-16,613,763.93	-27.06%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	-22,354,358.57	-18,587,900.12	-20.26%
Net cash flow arising from operating activities(RMB)	-96,581,410.89	-135,877,454.58	28.92%
Basic earnings per share (RMB/Share)	-0.10	-0.08	-25.00%
Diluted earnings per share (RMB/Share)	-0.10	-0.08	-25.00%
Weighted average ROE	-6.28%	-4.67%	-1.61%
	End of current period	End of last period	Increase/decrease in this

			report-end over that of last period-end (%)
Total assets (RMB)	2,071,314,325.03	2,093,670,119.65	-1.07%
Net assets attributable to shareholder of listed company(RMB)	325,357,663.18	346,684,394.29	-6.15%

(2)Particulars about the shares held by the top ten common shareholders

In Share

Total common shareholders at period-end	9,509					
Particulars about the shares held by the top ten common 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 corporate	53.49%	115,000,000	115,000,000		
Shenwan HongYuan Securities (HK) Limited	Overseas corporate	3.69%	7,928,125	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas corporate	1.73%	3,709,804	0		
Guosen Securities (HK) Brokerage Co., Ltd	Overseas corporate	1.38%	2,969,255	0		
Zhang Hui'an	Domestic nature person	1.31%	2,807,000	0		
Zheng Enyue	Domestic nature person	1.10%	2,369,639	0		
BOCI SECURITIES LIMITED	Overseas corporate	1.04%	2,236,928	0		
Sun Huiming	Domestic nature person	0.93%	2,007,110	0		

Gu Jinhua	Domestic nature person	0.83%	1,782,871	0		
Chen Chujia	Domestic nature person	0.61%	1,304,506	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.					
Explanation on shareholders involving margin business (if applicable)	N/A					

(3) Particulars about the top ten shareholders with preferred stock held

□ Applicable √ Not applicable

No particular about the shareholders with preferred stock held in Period.

(4)Changes of controlling shareholders or actual controller

Changes of controlling shareholders in reporting period

□ Applicable √ Not applicable

No change of controlling shareholders in reporting period

Changes of actual controller in reporting period

□ Applicable √ Not applicable

No change of actual controller in reporting period

3. Discussion and analysis of management

In the first half year of 2016, facing the complex economic situation and the increasingly fierce market competition, the company has been adhering to the business principles of "innovation, integration, and capital", focusing on the annual budget targets, earnestly implementing the objectives and requirements of "steady growth, adjusting structure, promoting transformation" of SASAC, taking advancing the quality and efficiency as the goal, accelerating the company’s industrial restructuring, promoting the lean management, making efforts to enhance the development of quality and efficiency, and ensuring the company’s sustainable and steady development. Under the influence of macroeconomic environment and external market, the company has achieved operating income of 835 million Yuan in the first half year, completed 46.37% of the annual budget, a decrease of 9.30% compared with the same period of last year, and achieved the net profits of -21,109,100 Yuan attributable to the equity holders of parent company.

Year-on-year changes of main financial data

In RMB

	Current period	Same period of last year	Y-o-y increase/decrease	Reasons for changes
Operation revenue	834,739,223.47	920,291,331.61	-9.30%	Affected by slow of the macro-economic, intensified industrial competition and decline of the sales price, the operation revenue decreased on a y-o-y basis

Operation cost	686,173,649.02	759,205,839.90	-9.62%	Operation costs declined with the decrease of revenue
Sales expenses	80,474,718.48	85,374,312.00	-5.74%	
Administrative expenses	69,513,112.10	68,807,167.70	1.03%	
Financial cost	11,247,942.96	11,250,520.74	-0.02%	
Income tax expense	3,235,803.32	8,415,501.07	-61.55%	Profit from some of the subsidiaries are declined from a year earlier, the income tax expenses declined correspondingly
R&D investment	33,918,277.09	36,886,662.06	-8.05%	
Net cash flow arising from operation activities	-96,581,410.89	-135,877,454.58	28.92%	The recoup funds for payment of goods are increased from a year earlier; expenditure from purchasing and cash for tax-paying are declined on a y-o-y basis
Net cash flow arising from investment activities	-1,272,325.51	-2,647,780.06	51.95%	The cash paid for fixed assets investment in the Period are less over that of last period
Net cash flow arising from financing activities	-61,384,722.62	54,725,674.00	-212.17%	Bank loans are decreased from a year earlier, the loans paid to bank are increased on a y-o-y basis
Net increase of cash and cash equivalent	-159,511,552.16	-83,789,559.09	-90.37%	The net cash flow arising from financing activities are declined dramatically on a y-o-y basis
Investment income	917,844.11	1,648,163.04	-44.31%	The joint-stock company has a less profit from a year earlier
Operation profit	-17,759,814.90	-8,232,830.34	-115.72%	Under the influence of macroeconomic slowdown, continuous aggravation of industrial competition, selling price fall and other factors,
Net profit attributable to owners' of parent company	-21,109,095.63	-16,613,763.93	-27.06%	

				during the reporting period, the company's operating income has decreased compared with the same period of last year. Though the company has been making efforts to control and reduce all costs and expenses, which cannot make up the loss of profit brought by the decrease of operating income, resulting in the operational losses during the reporting period.

4. Matters relevant to financial report

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

□Applicable √Not applicable

No changes in aspect of accounting policy, estimates and calculation method occurred in the Period

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

□ Applicable √ Not applicable

No retroactive restatement on major correction for accounting errors in reporting period

(3) Particulars about the change of consolidation range compared with the financial report of last year's

□ Applicable √ Not applicable

The consolidation range has no changed in the Period

(4) Explanation on "Qualified Opinion" of the Report from CPA by the Board and Supervisory Committee

□ Applicable √ Not applicable

Board of Directors of
Nanjing Putian Telecommunications Co., Ltd.
30 August 2016