

**Sino Great Wall Co., Ltd.**  
**The Third Quarterly Report 2016**



**October 2016**

## 1 Important Notice

The Board of Directors ,Supervisory Committee, all directors, supervisors and senior executives of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

All the directors attended the board meeting for reviewing the Quarterly Report.

Mr.Chen Lve, Person in charge of the Company, Mr. Cui Hongli, Chief financial officer and the Mr. Cui Hongli, the person in charge of the accounting department (the person in charge of the accounting )hereby confirm the authenticity and completeness of the financial report enclosed in this Quarterly Report .

## II. Main financial data and changes of shareholders

### I. Main accounting data and financial Index

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

Yes  No

	End of the report period	End of last year	Year-on –year change	
Gross assets (RMB)	6,474,979,794.34	4,017,462,824.63	61.17%	
Net assets attributable to the shareholders of the listed company (RMB)	1,611,589,702.33	1,282,256,738.74	25.68%	
	This report period	Year-on change(%)	Between beginning of the year to the end of the report period	Change from the same period last year
Operating income (RMB)	1,280,022,467.68	53.22%	3,233,597,223.19	10.87%
Net profit attributable to the shareholders of the listed company (RMB)	100,866,553.43	30.68%	303,165,970.06	25.00%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	100,801,973.68	29.45%	283,301,863.47	16.61%
Cash flow generated by business operation, net (RMB)	--	--	-1,686,338,825.47	414.80%
Basic earning per share(RMB/Share)	0.0594	30.84%	0.1785	25.00%
Diluted gains per share(RMB/Share)(RMB/Share)	0.0594	30.84%	0.1785	25.00%
Weighted average income/asset ratio (%)	6.43%	-2.26%	20.95%	-7.98%

In RMB

Items	Amount from beginning of the year to the end of the report period	Notes
Gain/loss from disposal of non-current assets (includes the	60,234	

recovered part of asset impairment provision already provided)		
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	2,522.16	
Except the effective hedge business related to the normal operation business of the Company, the profit and loss in the changes of fair values caused by the holding of tradable financial assets and tradable financial liabilities as well as the investment returns in disposal of tradable financial assets, tradable financial liabilities and saleable financial assets	245,263.08	
Other non-business income and expenditures other than the above	26,180,786.00	Mainly because the company is Located in Shenzhen City, Dapeng New District, Kuichong Office, Kuixin community of land and buildings on the ground by the collection of compensation
Less: Influenced amount of income tax	6,624,698.65	
Total	19,864,106.59	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable  Not applicable

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non –recurring gain/loss in the report period.

**II. Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period****1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders**

In shares

Total number of common shareholders at the period-end	55,398	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)	0			
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Chen Lve	Domestic Natural person	34.33%	582,944,556	582,109,696	Pledge	431,760,594
Union Holdings Co., Ltd.	Domestic Non State-owned legal person	6.38%	108,295,921	0		
STYLE-SUCCESS LIMITED	Foreign legal person	5.47%	92,970,910	0		
Shanghai Financial Development Investment Fund(LP)	Domestic Non State-owned legal person	4.49%	76,300,504	76,300,504		
He Feiyan	Domestic Natural person	3.23%	54,800,458	54,800,458		
Jiutai Fund – Bank of Communications – Jiutai Huitong No.2 specific customer asset management plan	Other	2.50%	42,479,672	42,479,672		
Wuxi Hengtai Jiuding Assets Management Centre (LP)	Domestic Non State-owned legal person	2.26%	38,330,615	38,330,615		
Foshan Haihui Heying Venture Investment Partnership(LP)	Domestic Non State-owned legal person	2.25%	38,150,252	38,150,252		
Jiangxi Taihao Venture Investment Centre(LP)	Domestic Non State-owned legal person	1.87%	31,791,879	31,791,879		
Yantai Zhaoxuan Yuantai Jiuding Venture Investment Centre(LP)	Domestic Non State-owned legal person	1.87%	31,742,745	31,742,745		
Shares held by the Top 10 Shareholders of Non-restricted shares						

Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period	Share type	
		Share type	Quantity
Union Holdings Co., Ltd.	108,295,921	RMB Common shares	108,295,921
STYLE-SUCCESS LIMITED	92,970,910	Foreign shares placed in domestic exchange	92,970,910
Rich Crown Investment Co., Ltd.	23,235,313	Foreign shares placed in domestic exchange	23,235,313
Liuzhou Jiali Real estate Development Co., ltd.	9,600,000	RMB Common shares	9,600,000
Zeng Ying	5,166,000	Foreign shares placed in domestic exchange	5,166,000
KGI ASIA LIMITED	4,691,274	Foreign shares placed in domestic exchange	4,691,274
Song Wenguang	4,372,328	Foreign shares placed in domestic exchange	4,372,328
Xingzheng Securities Assets Management — Everbright Bank — Xingzheng Assets management Xinzhong No.57. Collection of assets management plan	3,166,110	RMB Common shares	3,166,110
Chen Lihong	2,293,280	Foreign shares placed in domestic exchange	2,293,280
Wang Ying	2,147,140	Foreign shares placed in domestic exchange	2,147,140
Explanation on shareholders participating in the margin trading business	Chen Lve and He Feiyan are consortium officers; Wuxi Hengtai Jiuding Assets Management Centre (LP) and Yantai Zhaoxuan Yuantai Jiuding Venture Investment Centre (LP) are consortium officers; Union		

	Development Group Ltd. is the controlling shareholder of the above-mentioned shareholder Shenzhen Union Holdings Ltd. and third shareholder Rich Crown Investment Co., Ltd. The other tradable shareholders neither knew whether there exists associated relationship between them.
Participation of top 10 unconditional common share shareholders in securities margin trading (if any)	Among the shareholders above, Liuzhou Jiali Real estate Development Co., Ltd. holds 9,600,000 shares of the Company through stock account with credit transaction and guarantee of Guohai Securities Co., Ltd.

Agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common shares in the report period

Yes  No

No agreed re-purchasing is performed by the Company's shareholders in the report period.

2.Total number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period

Applicable  Not applicable

### III. Significant Events

#### I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

Applicable  Not applicable

	Year-end balance (RMB)	Same period of the previous year(RMB)	Changes (%)	Remarks on the change
Net profit attributable to the shareholders of the Parent company	303,165,970.06	242,528,351.45	25.00%	Mainly due to the increase in the company's overseas income, consolidated gross profit margin and income tax, business tax changes
Monetary fund	974,281,429.82	695,384,561.31	40.11%	Mainly due to bank loans increased
Account receivable	3,450,378,757.45	2,352,808,087.33	46.65%	Mainly due to in the implementation of large projects progressed smoothly, the project revenue increased, the reporting period has not yet received
Advance payment	169,726,021.06	77,707,568.38	118.42%	Mainly due to advance payment for construction projects increased
Inventory	250,298,204.27	168,133,668.91	48.87%	Mainly due to increase in raw materials at the end of the reporting period, and unsettled increase in completed
Fixed assets	102,651,662.49	43,846,215.63	134.12%	Mainly due to the acquisition of Wuhan

				Commercial Hospital and overseas tower crane installation is completed
Construction in process	2,347,992.64	10,016,928.24	-76.56%	Mainly due to overseas tower crane installation is completed
Other account receivable	822,416,213.32	239,952,886.10	242.74%	Mainly due to margin and current account increase
Short-term Borrowing	1,639,271,777.92	225,408,496.07	627.24%	Mainly due to increase in bank loans in the current period
Bills payable	559,111,364.29	143,410,167.17	289.87%	Mainly due to vendor settlement using more bill settlement
Account payable	1,022,563,948.28	1,332,619,954.77	-23.27%	Mainly due to overseas projects to increase overseas suppliers accounts shorter
Other account payable	211,602,174.99	635,200,976.60	-66.69%	Mainly due to in the current period, the funds for the inter-bank borrowing are returned
Long-term borrowing	988,390,314.20	30,140,649.14	3179.26%	Mainly due to increase in current bank borrowings
Sales expense	18,366,539.49	10,539,011.91	74.27%	Mainly due to increase the current business expansion efforts
Administrative expense	196,940,207.67	107,914,317.65	82.50%	Mainly due to the second half of 2015 overseas companies and overseas regional companies, overseas management personnel increased
Financial expenses	106,481,367.68	24,205,661.13	339.90%	Mainly due to in the current period, borrowings of financial institutions increased
Asset impairment loss	112,230,752.62	48,824,874.34	129.86%	Mainly due to an increase in accounts receivable resulted in an increase in asset impairment
Non-business income	29,136,122.16	405,739.61	7080.99%	Mainly due to in the report period, compensation fees for land acquisition and construction (structures) were collected
Net Cash flow generated by business operation	-1,686,338,825.47	-327,571,330.51	414.80%	Mainly due to during the reporting period, the company's overseas business grew rapidly, project margin and advances to a substantial increase in expenditure
Net cash flow generated by investment	-255,555,028.00	-35,910,259.45	611.65%	Mainly due to investment in the current period increased



Net cash flow generated by financing	1,825,820,436.37	235,414,152.87	675.58%	Due to increase in current bank borrowings
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## II. The progress of significant events and influence, as well as the analysis and explanation on resolving proposal

Applicable  Not applicable

On June 24, 2016, the company published a notice that the company is planning the item of non-public share-issuing, therefore the trade of the company's share shall be suspended from June 24, 2016. On July 7, 2016, the Proposal on the Company's Non-public A-share Issuance to Specific Objects and the relevant proposals were examined and approved in the 10th board meeting of the 7th session board of directors, The Proposals related to the company's non-public A-share issuance were examined and approved in the 2016 second extraordinary general shareholder meeting on July 25, 2016. On October 14, 2016, the Company received Notice of Acceptance of Administrative License Application of China Securities Regulatory Commission (No. 162993) issued by the China Securities Regulatory Commission. The CSRC decided to accept the application for administrative licensing of the Company's non-public issuance of shares.

Overview of material matters	Date of disclosing	Description of the website for disclosing provisional announcements
The Company disclosed the plan of non-public offering of A shares	July 9,2016	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>
The company's non-public offering of A shares to the specific object of the matter in the October 14, 2016 received notice of the CSRC admissibility	October 15,2016	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>

## III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period

Applicable  Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform	No		No		No	No
Commitment in the acquisition report or the report on equity changes	No		No		No	No
Commitments in	Chen Lve,	Share lock	Shares acquired by purchases of assets through	March	36 months	Strict

assets reorganization	He Feiyan		issuing shares: “I will not transfer the new shares of Victor Onward Holdings acquired through this restructuring, including but not limited to the public transfer through the stock market or by agreement, and I will not entrust anybody else to manage my shares of Victor Onward Holdings, within 36 months from the date new shares list and before the date I’ve carried out my obligations of performance compensation under this restructuring(subject to whatever is early, hereinafter referred to as “lock-up periods”). If the closing price of shares of Victor Onward Holdings were lower than this issue price for 20 continuous trading days in 6 months after the restructuring transaction has been completed, or the final closing price were lower than this issue price 6 months after the transaction has been completed, the lock-up periods of my shares of Victor Onward Holdings are automatically prolonged for 6 months. (The above-mentioned issue price will be calculated according to the price after the adjustment of ex-dividend, etc. if ex-dividend behaviors of the company, including distribution of dividends, giving bonus, conversion of share capital, rationing shares, and etc., were happened during the above-mentioned periods. If the restructuring transaction were investigated by judicial authorities or China Securities Regulatory Commission due to false record, misleading statement or major omission of the information provided or disclosed, I will not transfer my shares of the company before the conclusion of the case has been made clear. After the above-mentioned lock-up periods, I will sell or transfer the new shares of the company acquired from this restructuring following relevant regulations of China Securities Regulatory commission and Shenzhen Stock Exchange.	19,2015		performing
	Chen Lve	Share lock	Shares acquired by matching funds raised: “I will not transfer the new shares of Victor Onward Holdings acquired through this issuing by any way, including but not limited to the public transfer through the stock market or by	March 19,2015	36 months	Strict performing

			agreement, within 36 months from the date new shares list. If regulation rules or regulators have longer requirements for lock-up periods, it should be executed accordingly.			
	Chen Lve	There is no funds occupied	Up to the issue day of the letter, I and other corporations controlled by me haven't possessed funds of Sino Great Wall; After the transaction is completed, I and other companies controlled by me (if any), except for listed companies and their holding subsidiaries, will not possess the funds of listed companies or Sino Great Wall by any way, including cash in advance, other expenses, direct or indirect loans, assumption, etc. and try our best to avoid fund intercourse with listed companies or Sino Great Wall, which has nothing to do with normal operations. If Sino Great Wall got penalized by government administration departments due to the money lending which was happened before the transaction, I will bear the total compensation for the company's loss resulting from it by cash in order to guarantee Sino Great Wall won't suffer any loss. Meanwhile, I will actively urge Sino Great Wall to establish complete inner control system and funds management system within lawful authority.	March 19,2015	Long-term	Strict performing
	Chen Lve	Cash compensation	In view of the fact that the houses rented by Sino Great Wall and it's son subsidiaries, subsidiaries, haven't rental registration, I promise, if Sino Great Wall and its son subsidiaries, subsidiaries, were penalized by real estate management department or suffered other losses resulting from it, I agree to compensate the loss of the company by cash.	March 19,2015	Long term	Strict performing
	Chen Lve	Cash compensation	During the reporting period, the project which Sino Great Wall is involved in is the decoration engineering construction project of Libo Grand Hotel (hereinafter referred to as "Libo project") which the company contracted before the bidding process. Sino Great Wall is not involved in any other projects except for Libo project before bidding process. As to the violating issues existed in the Libo project, I promise as follows: if Sino	March 19,2015	Long term	Strict performing

			Great Wall got penalized by government administration departments or suffered any economic loss resulted from it, I will compensate the company by cash; Meanwhile, I, within lawful authority, will also promise to urge the company to undertake related construction projects legally so as to avoid violating issues happened before implementation of bidding process, i.e., at the time for construction again.			
	Chen Lve	Cash compensation	1. Up to October 13th,2014, the related expenses of the litigation and arbitration cases, including the actual price, compensation, penalty, litigation costs, etc. which the parent-subsidiary companies of Sino Great Wall needs to pay caused by the final results of ligation and arbitration cases, exceed the amount of liabilities which recognized in the “Audit Report” made for Sino Great Wall by Ruihua CPA (Special Ordinary Partnership) on the basis of the audit base day of July 31st, 2014, I promise to bear the balance by cash unconditionally so as to guarantee the parent-subsidiaries of Sino Great Wall won't suffer any loss. 2. This commitment letter is irrevocable.	March 19,2015	Long term	Strict performing
	Chen Lve	Cash compensation	1. On condition that ownership defect exists in the lease of house property of parent-subsidiary companies of Sino Great Wall and its subsidiary corporation, which resulted in inability for parent-subsidiary companies of Sino Great Wall and its subsidiary corporation to continue leasing this house property but having to relocate, or parent-subsidiary companies of Sino Great Wall and its subsidiary corporation can't timely find suitable workplace for lawful operation in related area, I will undertake to compensate by cash for parent-subsidiary companies of Sino Great Wall's losses which are caused by operation and finance due to the above-mentioned matters. 2. I undertake to unconditionally bear the relevant fines by cash for parent-subsidiary companies of Sino Great Wall on condition that the rental house property of parent-subsidiary companies of Sino Great Wall and its subsidiary corporation is in absence of handling procedures for filing house	March 19,2015	Long term	Strict performing

			leasing ,which resulted in that parent-subsidiary companies of Sino Great Wall and its subsidiary corporation are fined by property administrative department. 3.The commitment letter is irrevocable.			
	Chen Lve	Cash compensation	“In condition that parent-subsidiary companies of Sino Great Wall or its son subsidiary haven’t paid social security or housing fund for staff according to law, which resulted in any losses to Sino Great Wall , including the competent authorities’ requirement for Sino Great Wall or its subsidiary to make supplementary payment, to be punished and resourced, I will bear by full-amount cash for the fee of supplemental payment and the expense and fee for being punished or resourced, which is to guarantee Sino Great Wall and its subsidiary to avoid suffering.	March 19,2015	Long term	Strict performing
	Chen Lve	Cash compensation	“At present, Suzhou Lvbang has possessed one state-own land use right, of which the land certificate is Suzhou Guo Yong(2014) No.Y2014086”, locates in Danan Village, Dadian Town, Yongqiao District, Suzhou City with 32,966 square meters of area and the purpose for industry. Suzhou Lvbang possesses its own factory with 9,843.87 square meters of area above-mentioned, which is the building reserved on the former selling land. Suzhou Lvbang is carrying out refurbishing and reconstruction for this factory and has acquired “License of Construction Land Planning ”with No.2014-08-001 approved and issued by Yongqiao District, Suzhou City’s housing and rural construction bureau, of which other examination and approval procedures of construction are in the process of handling “I undertake to actively supervise and urge Suzhou Lvbang on handling procedures of the approval process involved with factor refurbishing and reconstruction, and which is suffered from administrative punishment by relevant competent authorities in reason of claiming certificate of title, or in which any dispute or controversy exist in construction and ownership, which shall be my responsibility to carry out solution, and I	March 19,2015	Long term	Strict performing

			undertake to compensate by cash for Suzhou Lvbang's losses which are due to this matter, guaranteeing no losses occur to Sino Great Wand Suzhou Lvbang for this matter. ”			
	Chen Lve	Cash compensation	<p>“According to the “Agreement of Significant Asset Replacement and Issue of Share to Buy Asset”(hereinafter referred to as “Agreement”) signed among Victor Onward Holdings, all shareholders of Sino Great Wall and Union Development Group Co., Ltd (hereinafter referred to as “ Union Group”) on October 13, 2014, all the creditor's rights and liabilities related to place-out asset before the delivery date of Victor Onward Holdings shall be Union Group's responsibility to carry out solution; After the asset delivery date, if any losses occur to Victor Onward Holdings in reason of the liability transfer of asset delivery, personnel placement, unsettled dispute or controversy and other compensation related to place-out asset, payment obligation and punishment, Union Group or the specified third party shall sufficiently compensate all losses for Victor Onward Holdings for the above matters. I undertake, if Union Group and the specified third party refuse to compensate the losses caused by the above mentioned matters for Victor Onward Holdings according to the“ Agreement”, I will compensate by cash for the Victor Onward Company within 5 working day in advance. Meanwhile, I will reserve the resource rights for Union Group and the specified third party.</p>	March 19,2015	Long term	Strict performing
	Chen Lve, He Feiyan	Performance commitment	<p>According to“ Agreement of Shenzhen Victor Onward Textile Industrial Co., Ltd., Chen Lve and He Feiyan Concerning on Performance Compensation” and its supplemental agreement , Chen Lve's promised Sino Great Wall that the net profit deducted by incidental losses and attributable to the parent companies' owners after audition of 2015, 2016 and 2017 shall be respectively more than RMB 345.8 million, RMB 438.5 million and RMB 538.2 million. If the net profit of Sino Great Wall is less than the promised net profit mentioned above , Chen Lve and He Feiyan will compensate for listed company in</p>	May 11,2015	Long term	Strict performing

			accordance with “Performance Compensation Agreement” and its supplemental agreement.			
	Chen Lve; He Feiyan, Wuxi Hengtai Jiuding AssetsManagement Centre (LP) ;Yantai Zhaoxuan Yuantai Jiuding Venture Investment Centre (LP) ;Suzhou Taiyao Zhongshan Jiuding Investment Centre (LP) ;Jiaxing Jiahe Jiuding Investment Centre (LP)	Independence, competition in the same industry	1. This reorganization is planned to place in asset. At present, complete separation has existed between me or other enterprises under my possession (if any) and the listed company in staff, asset, finance, institution and business of Sino Great Wall. Independence exists in both staff, asset, finance, institution and business and no confusion exists. 2. I undertake, after this reorganization, to ensure the continued complete separation between me or other enterprises under my possession(if any) and the listed company in staff, asset, finance, institution and business, sustaining the independence in the listed company’s staff, asset, finance, institution and business, as follows: (1).The Ensurance of Independence for Listed Company’s Personnel Ensure that the general manager, the vice-general manger, the chief financial officer, the board secretary and the senior executives of the Company only accept salary in listed company, including no holding of any post except director and supervisor in my enterprise or other enterprises under my possession. 2.Ensure the complete independence exists among the listed company’s labor, personnel, and salary management and me. 3. The director, supervisor, general manager and other senior executives recommended by me have all been through the legal procedures, and I will not intervene the company’s board and the shareholder’s decision for appointing and dismissing personnel by exercising official power. (2)The Ensurance of the Asset Independence of Listed Company 1.Ensure that the listed company possesses business system related to operation and the relevant completely-independent asset. 2.Ensure that no occupation of mine exists in capitals and assets of the listed company. 3.The Ensurance of the Financial Independence of Listed Company 1.Ensure that the independent finance department and the independent financial calculating system set up by the listed company, which possess	September 30,2015	Long term	Strict performing

		<p>normative and independent financial and accounting rules. 2. Ensure that the listed company independently opens a bank account, not sharing the same bank account with me.</p> <p>3.Ensure that the financial staff of the listed company holds no part-time post in my enterprise and other enterprises under my possession. 4. Ensure that the listed company pays taxes according to law. 5. Ensure that the listed company makes the financial decision-making independently, I will not intervene the utilization of the listed company's capital. (4)The Ensurance of the Institutional Independence of Listed Company 1.Ensure that the listed company sets up perfect governance structure for the share company's legal person, which possesses independent and complete institutional framework</p> <p>2.Ensure that the shareholder's meeting, the board of director, the independent director, the supervisor and the general managers exercise official powers according to laws, regulations and articles of incorporation (5)The Ensurance of the Business Independence of Listed Company 1. Ensure that the listed company possesses the asset, staff, qualification and ability for independently holding business activities, which possesses the independent, autonomous and sustain operation ability catering to the market. 2. Ensure that I will not intervene the listed company's business activities except exercising shareholder's rights. 3.Ensure that I or other enterprises under my possession will avoid working on the listed company's main business which possesses substantial competition. 4. Ensure to reduce the related transaction between me and the listed company or between other enterprises under my possession and the listed company as much as possible; When confirming necessary but unavoidable related transaction, I will ensure the fair operation according to the principle of market culture and the fair price, and fulfill the transaction procedures and the obligation of disclosing information according to relevant laws and regulations and normative</p>			
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	Wuxi Hengtai Jiuding Assets Management Centre (LP) ; Yantai Zhaoxuan Yuantai Jiuding Venture Investment Centre (LP) ; Suzhou Tianyao Zhongshan Jiuding Investment Centre (LP) ; Jiaxing Jiahe Jiuding Investment Centre (LP)	Related transactions	<p>"1.Before this reorganization, the fairness and reasonableness of pricing and the legitimacy and effectiveness of decision-making procedure exist in the transaction(if any) between me or the enterprise under my possession(if any) and Sino Great Wall which is planned to place asset in, no related transaction with obvious unfairness exists ; 2.After this reorganization, I or the enterprise under my possession will avoid and reduce the related transaction with listed company as much as possible. As for any unavoidable or reasonable related transaction, I or the enterprise under my possession will sign the agreement according to laws and fulfill the lawful procedure, and fulfill relevant approval procedure for internal decision-making and timely fulfill the obligation of disclosing information according to law, following relevant laws, regulations, other normative documents and articles of listed company, which is to guarantee the fairness and reasonableness in related transaction pricing, to guarantee the fairness of transaction condition and to guarantee not to utilize the related transaction to illegally transfer the capital and profit of listed company, and not to utilize this transaction to engage in any behaviors which will cause any losses to listed company or other shareholder's legitimate rights. Once I violate the above promises and cause losses to the listed company, I will compensate the listed company for the losses caused by the this matter.</p>	March 19,2015	Long term	Strict performing
	Union Development Group Co., Ltd	Income disposal	<p>During the assets reorganization, the house property and land without property certificate in the disposed assets within the plant area of Kuixin Community of Kuichong Street of Longgang District and the expected compensations, as well as the expected compensations concerning to the regaining of plots planned as schools within the right of land use of Nanyou Industrial Park of Nanshan District have not been recorded in the assessment. Therefore, Union Group promises that after the reorganization, if Union or a third party appointed by Union receives compensations</p>	March 19,2015	Long term	Strict performing

			<p>or incomes related to above-mentioned disposed assets which are house property and land without property certificate as well as regaining of plots planned as schools, Union will return the benefits to Victor Onward Holdings, in 10 working days since the collection. The actual costs and fees during the possession of the house property and land and the paid as well as the unpaid but necessary costs and fees for the reception of the above-mentioned benefits for Union Group or its third party will be deducted from the income. The specific benefits and payable costs and fees should be confirmed jointly by Union Group and Victor Onward Holdings based on the actual situations. (Notes: On June 25, 2015, All shareholders of Victor Onward Holdings, Union Group and Sino Great Wall Signed supplementary agreement, and specified that the land and houses without ownership certificate of Victor Onward Holdings located at the factory area of Kuixin community of Kuichong Street office of Longgang District (the land area is about 50,000 square meters, the built-up area of houses is about 25,000 square meters, among them about 18,000 square meters of buildings at built-up area are within the plan of removal and collection of government, hereinafter referred as “undocumented property) still belongs to Victor Onward Holdings. And the benefits and risks of the real estate without certificate are enjoyed and assumed by Victor Onward Holdings</p>			
	Union Development Group Co., Ltd	Cash compensation	<p>According to the Term 5.5.3 of Agreement on Major Asset Replacement and Asset Purchase Through Issuing Shares (hereinafter referred to as Agreement) signed on October 13, 2014 by the company and all shareholders of Victor Onward Co. Ltd. and Sino Great Wall, Victor Onward Holdings should obtain the letter of approval concerning the transferred debts of the disposed assets from the creditor (including the guarantee, similarly hereinafter) before the date of assets delivery. In the situation of debts on Victor Onward Holdings due to the absence of creditor’s consent, the company or the third party appointed</p>	March 19, 2015	Long term	Strict performing

		<p>by the company is in charge of paying off debts or reaching agreement on the solution with the creditor. When there are losses caused by improper solutions of the company or the third party appointed by the company, the company or the third party appointed by the company will fully compensate for the caused losses of Victor Onward Holdings in 5 working days after receiving the notice. According to the Term 5.5.4 of Agreement, after the date of assets delivery, any compensations, obligations of payment and penalties caused by disposed assets as well as unsettled disputes in Victor Onward Holdings will be undertaken and solved by the company or the third party appointed by the company, and Victor Onward Holdings assumes no responsibility.</p> <p>When there are losses caused by it, the company or the third party appointed by the company will fully compensate for the caused losses of Victor Onward Holdings in 5 working days after receiving the notice. According to the Term 5.6.1 of Agreement and based on the principle of “staff arrangement according to the assets”, the labor relations, social insurance relations including pension, medical treatment, unemployment, working injury and maternity, and other liable welfare and salary of all the staff in Victor Onward Holdings. (including but not limited to on-post employees, employees awaiting job assignments, retired employees, retained employees with suspend salary, transferred employees, and temporary employees, etc) will be transferred to the company or the third party appointed by the company. Compensations or related matters (if any) due to the termination of labor relationship in advance with Victor Onward Holdings, the company or the third party appointed by the company will be in charge of the payment. The company promises that for the losses caused by matters such as the above-mentioned debt transfers of disposed assets, personnel arrangement, unsettled disputes, potential debts, payment obligations and penalties, the company or the third party</p>			
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			appointed by the company will fully compensate for the losses of Victor Onward Holdings due to the above-mentioned matters based on the Agreement in cash.			
Equity incentive commitment	No		No		No	No
Other commitments made to minority shareholders	No					
Executed timely or not?	No		No		No	No
If the commitments failed to complete the execution when expired, should specifically explain the reasons of unfulfillment and the net stage of the working plan	Yes					

#### IV. Prediction of Business performance for 2016

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

Applicable  Not applicable

**V. Investment in securities**

Applicable  Not applicable

No Securities investment in period

**VI. Investment in derivatives**

Applicable  Not applicable

There is no derivative investment during the report period.

**VII. Registration form of such Activities as Reception, Research, Communication, Interview in the Reporting Period**

Applicable  Not applicable

Reception time	Way of reception	Types of visitors	Basic index
September 2,2016	Onsite investigation	Organization	The interactive relation with the investors on Shenzhen Stock Exchange platform about Sino Great Wall International Engineering Co., Ltd: Record of the investors relations activities on September 2, 2016

**VIII. Outward Guarantee against the Regulations**

Applicable  Not applicable

The Company had no guarantee outside against the regulation in the reporting period.

**IX. Non-operational Occupancy of the Company's Capital by the Controlling Shareholder and its Related Parties**

Applicable  Not applicable

The Company had no non-operational fund occupation from controlling shareholders and its related party.

## IV. Financial Statement

### I. Financial statement

#### 1. Consolidated balance sheet

Prepared by: Sino Great Wall Co., Ltd.

In RMB

Items	Year-end balance	Year-beginning balance
Current asset :		
Monetary fund	974,281,429.82	695,384,561.31
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account	57,000,000.00	1,102,961.04
Derivative financial assets		
Bill receivable	204,013,167.36	220,448,747.94
Account receivable	3,450,378,757.45	2,352,808,087.33
Prepayments	169,726,021.06	77,707,568.38
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	822,416,213.32	239,952,886.10
Repurchasing of financial assets		
Inventories	250,298,204.27	168,133,668.91
Assets held for sales		
Non-current asset due in 1 year	11,671,031.71	15,717,270.60
Other current asset	22,415,816.26	14,138,411.87
Total of current assets	5,962,200,641.25	3,785,394,163.48
Non-current assets:		
Loans and payment on other's behalf disbursed		

Disposable financial asset		
Expired investment in possess		
Long-term receivable	55,097,848.16	
Long term share equity investment		
Property investment		
Fixed assets	102,651,662.49	43,846,215.63
Construction in progress	2,347,992.64	10,016,928.24
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	106,552,647.79	9,267,746.33
R & D petrol		
Goodwill	51,930,609.93	6,724,316.91
Long-germ expenses to be amortized	40,849,015.56	18,909,785.69
Deferred income tax asset	63,918,582.37	47,950,278.07
Other non-current asset	89,430,794.15	95,353,390.28
Total of non-current assets	512,779,153.09	232,068,661.15
Total of assets	6,474,979,794.34	4,017,462,824.63
Current liabilities		
Short-term loans	1,639,271,777.92	225,408,496.07
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable	559,111,364.29	143,410,167.17
Account payable	1,022,563,948.28	1,332,619,954.77
Advance payment	67,211,464.35	64,963,842.60
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	25,664,211.27	12,669,619.20
Tax payable	268,199,347.25	284,826,290.11

Interest payable	9,093,407.53	527,969.26
Dividend payable		
Other account payable	211,602,174.99	635,200,976.60
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year		7,135,752.00
Other current liability		
Total of current liability	3,802,717,695.88	2,706,763,067.78
Non-current liabilities:		
Long-term loan	988,390,314.20	30,140,649.14
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability	27,968,418.34	15,444.16
Other non-current liabilities		
Total non-current liabilities	1,016,358,732.54	30,156,093.30
Total of liability	4,819,076,428.42	2,736,919,161.08
Owners' equity		
Share capital	1,698,245,011.00	446,906,582.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	-1,301,706,291.22	-50,367,862.22
Less: Shares in stock		
Other comprehensive income		



Special reserves	70,580,945.36	46,014,941.54
Surplus reserves	84,559,993.43	84,394,441.23
Common risk provision		
Undistributed profit	1,059,910,043.76	755,308,636.19
Total of owner's equity belong to the parent company	1,611,589,702.33	1,282,256,738.74
Minority shareholders' equity	44,313,663.59	-1,713,075.19
Total of owners' equity	1,655,903,365.92	1,280,543,663.55
Total of liabilities and owners' equity	6,474,979,794.34	4,017,462,824.63

Legal Representative: Chen Lve      Person in charge of accounting: Cui Hongli      Accounting Dept Leader: Cui Hongli

## 2. Parent Company Balance Sheet

In RMB

Items	Year-end balance	Year-beginning balance
Current asset :		
Monetary fund	169,024,682.99	239,145,251.31
Financial assets measured at fair value with variations accounted into current income account	57,000,000.00	
Derivative financial assets		
Bill receivable		
Account receivable		29,083.30
Prepayments	1,750,000.00	
Interest receivable		
Dividend receivable		
Other account receivable	1,607,187,959.91	
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset		
Total of current assets	1,834,962,642.90	239,174,334.61
Non-current assets:		
Disposable financial asset		
Expired investment in possess		

Long-term receivable		
Long term share equity investment	3,225,411,536.66	3,079,451,536.66
Property investment		
Fixed assets	4,564.75	
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets		
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	26,946,437.92	
Differed income tax asset	382.68	382.68
Other non-current asset		
Total of non-current assets	3,252,362,922.01	3,079,451,919.34
Total of assets	5,087,325,564.91	3,318,626,253.95
Current liabilities		
Short-term loans	1,030,000,000.00	
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable	68,000,000.00	
Account payable		
Advance payment		
Employees' wage payable	1,301,612.65	
Tax payable	96,216,766.56	98,150,372.30
Interest payable	7,838,055.56	
Dividend payable		
Other account payable	13,067,268.86	803,339.56
Liabilities held for sales		
Non-current liability due in 1 year		
Other current liability		
Total of current liability	1,216,423,703.63	98,953,711.86

Non-current liabilities:		
Long-term loan	700,000,000.00	
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable		
Employees' wage Long-term payable		
Special payable		
Expected liabilities		
Differed income		
Differed income tax liability		
Other non-current liabilities		
Total of Non-current liabilities	700,000,000.00	
Total of liability	1,916,423,703.63	98,953,711.86
Owners' equity		
Share capital	1,698,245,011.00	446,906,582.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,237,956,472.37	2,489,294,901.37
Less: Shares in stock		
Other comprehensive income		
Special reserves		
Surplus reserves	26,309,287.00	26,309,287.00
Undistributed profit	208,391,090.91	257,161,771.72
Total of owners' equity	3,170,901,861.28	3,219,672,542.09
Total of liabilities and owners' equity	5,087,325,564.91	3,318,626,253.95

### 3. Consolidated Profit statement of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	1,280,022,467.68	835,406,170.68

Incl: Business income	1,280,022,467.68	835,406,170.68
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	1,155,267,384.61	737,452,024.90
Incl: Business cost	992,050,637.18	653,438,691.27
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	2,669.37	12,308,366.66
Sales expense	9,107,275.25	3,036,106.61
Administrative expense	83,946,453.38	43,085,998.98
Financial expenses	36,456,693.08	6,297,639.29
Asset impairment loss	33,703,656.35	19,285,222.09
Add: Gains from change of fir value (“-”for loss)		6,785.75
Investment gain (“-”for loss)	198,394.59	
Incl: investment gains from affiliates		
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	124,953,477.66	97,960,931.53
Add: Non-business income	2,853.16	26,319.77
Incl: Gains from disposal of non-current assets		
Less: Non business expenses	136,668.00	938,228.42
Incl: Loss from disposal of non-current assets		
IV.Total profit(“-”for loss)	124,819,662.82	97,049,022.88
Less: Income tax expenses	24,244,602.31	19,880,805.19
V. Net profit (“-”for net loss)	100,575,060.51	77,168,217.69

Net profit attributable to the owners of parent company	100,866,553.43	77,186,010.32
Minority shareholders' equity	-291,492.92	-17,792.63
VI. Net after-tax of Other comprehensive income		6,742.31
Net after-tax of other comprehensive income attributable to owners of the parent company.		6,742.31
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		6,742.31
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		6,742.31
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	100,575,060.51	77,174,960.00
Total comprehensive income	100,866,553.43	77,192,752.63

attributable to the owner of the parent company		
Total comprehensive income attributable minority shareholders	-291,492.92	-17,792.63
VIII. Earnings per share		
( I ) Basic earnings per share	0.0594	0.0454
(II)Diluted earnings per share	0.0594	0.0454

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0, last period the combined party realized RMB 0.

Legal Representative: Chen Lve    Person in charge of accounting: Cui Hongli    Accounting Dept Leader: Cui Hongli

#### 4. Income statement of the Parent Company of the Report period

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	57,684.88	329,131.00
Incl: Business cost	0.00	28,098.18
Business tax and surcharge		1,115.28
Sales expense		
Administrative expense	14,974,573.46	580,403.79
Financial expenses	26,748,737.27	-87,300.56
Asset impairment loss		-14,568.79
Add: Gains from change of fair value (“-”for loss)		
Investment gain (“-”for loss)	198,394.59	383,969,705.11
Incl: investment gains from affiliates		
II. Operational profit (“-”for loss)	-41,467,231.26	383,791,088.21
Add: Non-business income	1.00	68,036,587.28
Incl: Gains from disposal of non-current assets		
Less: Non business expenses		
Incl: Loss from disposal of non-current assets		
III. Total profit (“-”for loss)	-41,467,230.26	451,827,675.49
Less: Income tax expenses		108,609,278.25
IV. Net profit (“-”for net loss)	-41,467,230.26	343,218,397.24

V. Net after-tax of Other comprehensive income		-40,084.00
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		-40,084.00
1.Re-measurement of defined benefit plans of changes in net debt or net assets		-40,084.00
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	-41,467,230.26	343,178,313.24
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

### 5. Consolidated income statement between the beginning of the year and end of the report period

In RMB

Items	Amount in this period	Amount in last period
I. Total operating income	3,233,597,223.19	2,916,615,389.84
Including: Operating income	3,233,597,223.19	2,916,615,389.84

Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	2,895,825,957.45	2,592,522,742.77
Including: Operating cost	2,452,777,768.51	2,344,122,874.48
Interest expense		
Commission chare and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	9,029,321.48	56,906,003.26
Sales expenses	18,366,539.49	10,539,011.91
Administration expenses	196,940,207.67	107,924,317.65
Financial expenses	106,481,367.68	24,205,661.13
Losses of devaluation of assets	112,230,752.62	48,824,874.34
Add : Changing income of fair value		31,934.36
Investment income	245,263.08	
Including: Investment income on affiliate company and joint venture		
Exchange income		
III. Operating profit	338,016,528.82	324,124,581.43
Add : Non-operating income	29,136,122.16	405,739.61
Including :Disposal Gains of non-current assets		
Less: Non-operating expense	2,892,580.00	971,667.76
Including :Disposal loss of non-current assets		31,839.34
IV. Total profit	364,260,070.98	323,558,653.28
Less: Income tax	62,107,362.14	81,048,094.46



V. Net profit (“-”for net loss)	302,152,708.84	242,510,558.82
Net profit attributable to the owners of parent company	303,165,970.06	242,528,351.45
Minority shareholders’ equity	-1,013,261.22	-17,792.63
VI. Net after-tax of Other comprehensive income		18,867.42
Net after-tax of other comprehensive income attributable to owners of the parent company.		18,867.42
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		18,867.42
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		18,867.42
6.Other		
Net after-tax of other comprehensive income attributable to Minority shareholders’ equity		
VII. Total comprehensive income	302,152,708.84	242,529,426.24
Total comprehensive income	303,165,970.06	242,547,218.87

attributable to the owner of the parent company		
Total comprehensive income attributable minority shareholders	-1,013,261.22	-17,792.63
VIII. Earnings per share		
( I ) Basic earnings per share	0.1785	0.1428
(II)Diluted earnings per share	0.1785	0.1428

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0, last period the combined party realized RMB 0.

## 6. Income Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I. Business income	173,625.22	2,246,511.00
Less: Business cost	0.00	196,684.18
Business tax and surcharge		150,843.28
Sales expense		
Administrative expense	28,760,269.39	3,716,096.79
Financial expenses	46,699,345.93	-953,917.56
Asset impairment loss	-1,530.70	-14,568.79
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	198,394.59	383,969,705.11
Incl: investment gains from affiliates		
II. Operational profit	-75,086,064.81	383,121,078.21
Add: Non-business income	29,071,296.00	68,036,587.28
Incl: Gains from disposal of non-current assets		
Less: Non business expenses	2,755,912.00	
Incl: Loss from disposal of non-current assets		
III. Total profit	-48,770,680.81	451,157,665.49
Less: Income tax expenses		108,609,278.25
IV. Net profit)	-48,770,680.81	342,548,387.24
V. Net after-tax of Other comprehensive		

income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	-48,770,680.81	342,548,387.24
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

## 7. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,566,047,153.44	1,379,577,878.41

Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of trade financial asset disposal		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned		
Other cash received from business operation	1,459,745,529.77	349,234,449.67
Sub-total of cash inflow	3,025,792,683.21	1,728,812,328.08
Cash paid for purchasing of merchandise and services	2,052,349,873.63	1,566,480,512.18
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	201,703,377.78	156,672,144.42
Taxes paid	90,940,394.34	120,883,336.29
Other cash paid for business activities	2,367,137,862.93	212,347,665.70
Sub-total of cash outflow from business activities	4,712,131,508.68	2,056,383,658.59
Cash flow generated by business operation, net	-1,686,338,825.47	-327,571,330.51

II.Cash flow generated by investing		
Cash received from investment retrieving	12,800,000.00	
Cash received as investment gains	9,348,224.12	
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		89,678.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	22,148,224.12	89,678.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	26,012,757.28	35,996,053.16
Cash paid as investment	57,000,000.00	
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units	119,000,000.00	
Other cash paid for investment activities	75,690,494.84	3,884.29
Sub-total of cash outflow due to investment activities	277,703,252.12	35,999,937.45
Net cash flow generated by investment	-255,555,028.00	-35,910,259.45
III.Cash flow generated by financing		
Cash received as investment	47,040,000.00	
Incl: Cash received as investment from minor shareholders		
Cash received as loans	2,801,778,902.00	572,000,000.00
Cash received from bond placing		
Other financing –related cash received	97,929,280.00	168,190,000.00
Sub-total of cash inflow from financing activities	2,946,748,182.00	740,190,000.00
Cash to repay debts	524,886,086.94	387,220,050.95
Cash paid as dividend, profit, or interests	71,424,769.43	22,094,169.18
Incl: Dividend and profit paid by		

subsidiaries to minor shareholders		
Other cash paid for financing activities	524,616,889.26	95,461,627.00
Sub-total of cash outflow due to financing activities	1,120,927,745.63	504,775,847.13
Net cash flow generated by financing	1,825,820,436.37	235,414,152.87
IV. Influence of exchange rate alternation on cash and cash equivalents	1,569,103.98	-2,820,849.71
V.Net increase of cash and cash equivalents	-114,504,313.12	-130,888,286.80
Add: balance of cash and cash equivalents at the beginning of term	721,711,757.85	243,759,954.90
VI .Balance of cash and cash equivalents at the end of term	607,207,444.73	112,871,668.10

### 8. Cash Flow Statement of the Parent Between the Beginning of the Year and End of the Report Period

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	203,303.00	2,246,511.00
Tax returned		
Other cash received from business operation	642,263,080.59	2,287,234.95
Sub-total of cash inflow	642,466,383.59	4,533,745.95
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	265,325.38	1,026,970.10
Taxes paid	1,492,300.15	908,947.67
Other cash paid for business activities	2,197,137,918.45	4,031,645.42
Sub-total of cash outflow from business activities	2,198,895,543.98	5,967,563.19
Cash flow generated by business operation, net	-1,556,429,160.39	-1,433,817.24
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	198,394.59	

Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		40,084.65
Sub-total of cash inflow due to investment activities	198,394.59	40,084.65
Cash paid for construction of fixed assets, intangible assets and other long-term assets		
Cash paid as investment	57,000,000.00	
Net cash received from subsidiaries and other operational units	145,960,000.00	
Other cash paid for investment activities	39,897.60	7,079,094.11
Sub-total of cash outflow due to investment activities	202,999,897.60	7,079,094.11
Net cash flow generated by investment	-202,801,503.01	-7,039,009.46
<b>III. Cash flow generated by financing</b>		
Cash received as investment		
Cash received as loans	1,810,000,000.00	
Cash received from bond placing		
Other financing –related cash received		
Sub-total of cash inflow from financing activities	1,810,000,000.00	
Cash to repay debts	80,000,000.00	
Cash paid as dividend, profit, or interests	40,889,904.92	
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	120,889,904.92	
Net cash flow generated by financing	1,689,110,095.08	
<b>IV. Influence of exchange rate alternation on cash and cash equivalents</b>		
<b>V. Net increase of cash and cash equivalents</b>	<b>-70,120,568.32</b>	<b>-8,472,826.70</b>

Add: balance of cash and cash equivalents at the beginning of term	239,145,251.31	8,480,977.11
VI ..Balance of cash and cash equivalents at the end of term	169,024,682.99	8,150.41

**II. Auditor's report**

Whether the Q3 report is audited

Yes  No

The Q3 Report is not audited.