

Stock code: 000018 , 200018 Stock ID : Sino Great Wall , Sino-B Announcement No. 2016-030

Summary of 2015 Annual Report of Sino Great Wall Co., Ltd.

1. Important notes

The summary is abstract from full-text of annual report, for more details information , investors should found in the full-text of annual report that published on website of Shenzhen Stock Exchange and other website appointed by CSRC.

Objections of the directors, supervisors and senior management

Non-standard auditor's opinion

Applicable Not applicable

Preliminary plan for profit distribution to the common shareholders or turning the capital reserve into the share capital for the reporting period, which has been reviewed and approved at the board meeting

Applicable Not applicable

Conversion of capital reserves into share capital

Yes No

The profit distribution proposal reviewed and approved by the boarding meeting was summarized as follows: 446,906,582 for the base, the Company would distribute cash dividend to all the shareholders at the rate of CNY0 for every 10 shares (with tax inclusive) , 0 bonus shares (including tax) ,The Company will transfer the capital reserve to increase capital stock, 28 shares for every 10 shares.

Plans for profit distribution on preference shares for the reporting period approved by the Board

Applicable Not applicable

Company Profile

Stock ID	Sino Great Wall , Sino-B	Stock code:	000018 , 200018
Stock Exchange Listed in	Shenzhen Stock Exchange		
Contact person and contact manner	Board secretary	Securities affairs Representative	
Name	Yang Chunling	Liu Guofa	
Contact address	Sino Great Wall Building, No.3 Jinxiu Street, Economic Technology Development Zone , Beijing	Sino Great Wall Building, No.3 Jinxiu Street, Economic Technology Development Zone , Beijing	
Tel.	010-89045856	010-89045856	
Fax.	010-89045855	010-89045855	
Email.	1208806865@qq.com	000018sz@sina.com	

II. Brief introduction to the main business or products in the reporting period

I .Main Business the Company is Engaged

In 2015,The company has completed great asset replacement, purchased by issuing shares and raising supporting funds in the year, the total assets company has owned and liabilities company has made were exchanged with equivalent assets that all shareholders hold in Sino Great Wall International Engineering Co., Ltd., and differential sections were purchased by my company ,issuing shares for all shareholders hold in Sino Great Wall International Engineering Co., Ltd., meanwhile, company has distributed supporting funds,255 million Yuan used for raising and restructuring shares, to Chen Lue and Hui tong 2.Since the major assets restructuring was accomplished, our primary services has shifted from previous producing and processing of textile into Engineering general contracting(overseas),decoration, mechanical and electrical installation, curtain wall design and construction, Investment and construction of hospital health industry, etc.

Domestic business in 2015: Company's building decoration business maintained steady growth and company's market standing in Domestic construction projects has been further promoted. Since domestic revenues accounted for 60 % of company's business income in 2015, it is still the main source of revenue: at the same time, the year of 2015 is the company's first year of strategic layout of medical business as well. Despite the fact that no income has been gained from medical business, works on different levels are carried out in a smooth way, and company has signed a cooperation agreement with Sichuan Jiale Enterprise Group, Beijing Anjie Asset Management Co., Ltd, Sinopharm Finance Lease Co., Ltd successively, and Launched extensive cooperation in fields like acquisition or construction of hospital projects, medical engineering contracting, health-care investment and financial leasing to provide a guarantee for promoting the rapid development of the company's medical

business. Although the medical business still hasn't formed income, all the works have been progressing smoothly, which has provided the foundation of the fast development of the company's medical business. Talented personnel recruited from overseas personnel market formation for many years, diverse marketing channels and understanding construction capability have made the company's overseas spread throughout the Middle East, Southeast Asia and Africa. Moreover, large-scale projects are widely in construction or under construction in countries and regions like Qatar, Kuwait, Indonesia, Sri Lanka, Burma, Cambodia, and Algeria. In the above areas, the company has accumulated and created a good market reputation and corporate image, laying a good foundation for the company to win more project orders and further expand their business to other countries and regions. An extensive step to increase building and construction industry and health care industry would be conducted in future, promoting the sustained and rapid growth of the company.

II. Industry development and outlook of the company

In 2015, the global economic situation still was perplexing and complicated and the world economic growth was low, yet China has been entered into the new normal of adjusting industrial structure, stabilizing the growth and transformation and upgrading of the industries. The domestic architectural decoration industry was affected by the weak real estate market, resulted in a low growth; the company relying on the initiative advantage, brand influences and good business development ability has formed three core business segments of the Middle East, Southeast Asia and Africa, remained in a comparatively fast growth momentum. In the future, along with steady growth of the Chinese economic and the speeding up of the urbanization of China and the increasing escalation of the consumption level of residents, the architectural decoration market such as in the transportation, culture, sports, medical and health facilities and new hotel construction will keep growing at a certain pace. As to the overseas market, along with the implementation and deepening of the national strategy of "One Belt, One Road" which brings a new round of growth opportunities, by virtue of the construction implemented of the contracted projects by the company, the accumulation and the establishment of good market reputation and image of the company, the company's overseas business will keep in a comparatively fast growth and the company's business scale and market share will continuously be increased.

Health-care industry: according to spirit of normative documents, Guidance on the Pilot Reform of Public Hospitals and Opinions of Further Encouraging and Guiding the Social Capital to Hold Medical Institutions released successively by five ministries including ministry of health, the company combined it with the status quo of the medical and health industry in China, on the basis of full investigation, confirmed strategic direction of development in future and actively carried out medical industry layout in 2015. For the acquisition of the company, the existing hospitals, hospital, a new construction of medical and health projects all the input and take direct investment, industry fund operation mode initiated and Realization of medical industry, landing, and strive to build the company into a building and medical services and drive the development of a group of outstanding enterprises.

By 2015, Sino Great Wall International Engineering Co., Ltd, a wholly-owned subsidiary of the company, ranked eighth in China's 100 top building decoration enterprises, and the project "Convention Center in Gansu five-star hotel complex project", which it participated in, won China's construction Engineering Luban Awards during 2014 to 2015.

II. Major Changes in Main Assets

Main assets	Major changes
Fixed assets	The main reason is the Ministry of Finance of Kuwait, Cambodia Howley and NAGA crane and other equipment procurement project.
Construction in process	Kuwait Ministry of Defence procurement is mainly due to crane and other equipment is not installed

III. Accounting and financial highlights

1. Accounting and financial highlights for the past three years

Does the Company adjust retrospectively or restate the accounting data of previous years due to changes in the accounting policy or corrections of accounting errors?

Yes No

In RMB

	2015	2014	Changed over last year (%)	2013
Operating Gross income (RMB)	4,010,358,999.58	2,754,684,893.91	45.58%	2,035,212,861.16
Net profit attributable to the shareholders of the listed company (RMB)	346,648,651.48	186,857,504.45	85.51%	103,518,058.00

Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	347,196,614.68	183,801,389.95	88.90%	101,026,921.20
Cash flow generated by business operation, net (RMB)	-292,051,257.08	163,847,389.34	-278.25%	-182,151,177.61
Basic earning per share(RMB/Share)	1.50	0.74	102.70%	0.6120
Diluted gains per share(RMB/Share)(RMB/Share)	1.50	0.74	102.70%	0.6120
Net asset earning ratio (%)	34.52%	24.54%	9.98%	17.46%
	End of 2015	End of 2014	Changed over last year (%)	End of 2013
Gross assets (RMB)	4,017,462,824.63	2,447,572,750.57	64.14%	1,675,076,620.29
Net assets attributable to shareholders of the listed company (RMB)	1,282,256,738.74	761,471,188.44	68.39%	593,026,818.30

2.Main Financial Index by Quarters

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	825,262,582.68	1,255,946,636.48	835,406,170.68	1,093,743,609.74
Net profit attributable to the shareholders of the listed company	47,877,449.11	117,464,892.01	77,186,010.32	104,120,300.04
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	47,519,957.09	117,483,194.26	77,869,941.81	104,323,521.52
Net Cash flow generated by business operation	-116,108,845.35	-127,687,027.48	-83,783,608.09	35,528,223.84

Whether significant variances exist between the above financial index or the index with its sum and the financial index of the quarterly report as well as semi-annual report index disclosed by the Company.

Yes No

IV. Share capital and shareholders

1. Numbers of the common shareholders and the preference shareholders with resumed voting rights as well as the shareholdings of the top 10 shareholders

In shares

Total number of common shareholders at the end of the reporting period	15,008	Total shareholders at the end of the month from the date of disclosing the annual report	26,580	The total number of preferred shareholders voting rights restored at period-end (if any)(See Notes 8)	0	Total preferred shareholders at the end of the month from the date of disclosing the annual report	0
Shareholdings of top 10 shareholders							
Shareholders	Nature of shareholder	Proportion of shares held(%)	Number of shares held at period -end	Amount of restricted shares held	Number of share pledged/frozen		
					State of share	Amount	
Chen Lue	Domestic Natural person	34.27%	153,136,462	153,098,412	Mortgage	90,621,209	
Union Holdings Co., Ltd.	Domestic Non-	9.65%	43,141,032	0			

	State-owned legal person					
STYLE-SUCCESS LIMITED	Foreign legal person	5.47%	24,466,029	0		
Shanghai Financial Development Investment Fund(LP)	Domestic Non-State-owned legal person	4.49%	20,079,080	20,079,080		
He Feiyan	Domestic Natural person	3.23%	14,421,173	14,421,173		
Jiutai Fund—Bank of Communications—Jiutai Huitong No.2 specific customer asset management plan	Other	2.50%	11,178,861	11,178,861		
Wuxi Hengtai Jiuding Assets Management Centre (LP)	Domestic Non-State-owned legal person	2.26%	10,087,004	10,087,004		
Foshan Haihui Heying Venture Investment Partnership(Limited Partnership)	Domestic Non-State-owned legal person	2.25%	10,039,540	10,039,540		
Jiangxi Taihao Venture Investment Centre(LP)	Domestic Non-State-owned legal person	1.87%	8,366,284	8,366,284		
Yantai ZhaoxuanYuantai Jiuding Venture Investment Centre(LP)	Domestic Non-State-owned legal person	1.87%	8,353,354	8,353,354		
Related or acting-in-concert parties among shareholders above	The largest shareholder of Mr. Chen Lue and the fifth largest shareholder of Ms. He Feiyan aforesaid are persons acting in concern;Wuxi Hengtai Jiuding Assets Management Centre(LP)and Yantai ZhaoxuanYuantai Jiuding Venture Investment Centre(LP) aforesaid are persons acting in concern;whether the other shareholders have associated relations are unknown.					
Explanation on shareholders participating in the margin trading business (If any)	Among the shareholders above, Liuzhou Jiali Real estate Development Co., Ltd. holds 3,600,000 shares of the Company through stock account with credit transaction and guarantee of Guohai Securities Co., Ltd.					

2.Number of the preference shareholders and the shareholdings of the top 10 of them

Applicable Not applicable

No preference shareholders in the reporting period

3.Relationship between the Company and its actual controller in the form of diagram



V. Management's Discussion and Analysis

1. Business review for the reporting period

1. Overall overview of business condition

Obstacles and difficulties were still in the way of global economic recovery in 2015, despite of the economy of US showing signs of improvement. The entire international economic environment is still fragile and on sluggish growth. To enhance China's economic growth momentum and strengthen supply-side structural reforms, domestic fixed asset investment has been decelerated, and real estate faced greater pressure of d-stocking. Under the new normal, domestic architectural decoration industry underwent slower growth rate than that of previous years. also bringing great pressure for the company's operation and management. However, with the advancement and implementation of the "one belt, one road" strategy, overseas construction decoration market still have dynamic growth potential. With the introduction of national health reform policy, the health care industry is also facing greater development opportunities.

Operating with international and domestic economic situation, the company developed a business plan "consolidating of the domestic decoration main industry, expanding overseas construction market, ensuring steady growth of the performance". With a clearly scientific development strategy and the unremitting efforts of all staff, the company's overall asset quality and profitability were significantly improved. In 2015, although domestic economic suffered a slow growth, the company has maintained good growth momentum with a good performance of the company's overseas business. In 2015, the company achieved operating income of 4.01 billion Yuan, an increase of 45.58 % over the previous year; operating profit of 431 million Yuan, an increase of 75.22% over the previous year; net profit attributable to parent company 347 million Yuan, an increase over the previous year 85.51 %.

2. Main works carried out by the company in 2015 are as follow:

(1) Maintaining stability in domestic decoration business

During the reporting period, the company will further consolidate the traditional decoration business market, promote the company's well-known brands and the implementation of characteristic operating strategy, and spare great efforts to develop and nurture high-end customers, making a steady increase of high-end customers in the company's share of the domestic business and continuing to improve brand influence Sino Great Wall. Moreover, we would also provide customers with comprehensive solutions, including high-quality and efficient architectural decoration, mechanical and electrical installation, curtain wall design and construction, and meanwhile actively explore relevant qualifications and industrial chain in innovative business model, improving the company decoration, engineering construction, creating a new performance and profit growth and constantly improving the company's profitability.

(2) Achieving good results in expanding overseas market business

In 2015, under the leadership of national policy "One Belt and One Road", relying on it's a good reputation in the overseas company and rich experience in marketing and construction, the company's overseas business grew rapidly in Myanmar, Indonesia, the Philippines, Sri Lanka and other places, with new orders for large projects signed equivalent value of more than billion. Overseas projects are likely to use more the contracting management models, EPC and PPP, providing a strong guarantee for the company's performance in next few years.

(3) Gaining a initial success of medical health industry layout and working smoothly

In 2015, the company decided to regard health care as key direction of the company in future. Afterward, the company introduced the management authority and technical experts in the medical field, in conjunction with the company's senior personnel, to set up a new medical team and carry out the in-depth project study and research in nationwide. Moreover, they carefully organized project feasibility and screening and have deep contacts with the target project, and signed a cooperation agreement to conduct a joint medical investment business with Sichuan Jiale enterprise Group Co., Ltd. Andrzej asset management Limited and Sinopharm Group financial leasing Co., Ltd, giving full play to their respective advantages in terms of construction, finance, customer resources, brand, etc. and promoting the development of the company in the medical engineering contracting, health care investment business. Since the medical team was built, company medical business is progressing well and the layout of the medical industry enjoyed a initial success.

(4) Laying emphasis on incentives to storing talents for the company

During the reporting period, the company completed the election of the new Supervisory Board; a new senior management team was appointed; dozens of talents in marketing, technology, management and health care industries were recruited; three boards and one level, namely shareholders' board, board of directors, board of supervisors, governance level, has a clear structure. In 2015, parts of the company directors, supervisors and senior management personnel and business backbones participated in the subscription of the company's non-public offering of stocks by the customer-specific asset management plans set by Jiu Tai Hui Tong number two, and some of the staffs were involved in the first phase of the company's plan of employee's stock ownership. All measures above are conducive to the formation of mechanism where employees and all shareholders share mutual benefits and risks, urging executives and core team of the company to work in a more diligent way for company's development and laying a solid talent base development of the company in future.

2. Significant changes in the main business in the reporting period

√ Yes □ No

In 2015, the company completed a major reorganization of assets, the company's main business changed by the textile design and decoration works construction general contracting.

3. Products contributing over 10% of the main business revenue or profit

Applicable Not applicable

In RMB

Name	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
Construction general contracting	1,513,458,850.56	1,194,713,739.79	21.06%	641.49%	686.94%	-17.79%
Decoration works	2,455,199,964.42	1,959,709,623.80	20.18%	-3.98%	-6.05%	9.54%

4. Seasonal or periodic characteristics in the operating performance that need special attention

Yes No

5. Significant YoY changes in the operating revenues, operating costs and net profits attributable to the common shareholders or their composition

Applicable Not applicable

During the reporting period, the company completed a major reorganization of assets, the company's main business changed by the textile design and decoration works construction general contracting, a substantial increase in the quality of assets, and therefore the reporting period operating income, operating costs and attributable to ordinary shareholders in listed companies net profit compared with the previous reporting period has increased considerably.

6. Listing suspension or termination

Applicable Not applicable

VI. Issues related to the financial report

1. YoY changes in the accounting policy, accounting estimation and measurement methods

Applicable Not applicable

No Particulars about the changes in aspect of accounting policy, estimates or calculation method in the period.

2. Note to the situation that it is necessary to make retrospective restatement to order to correct the serious accounting errors in the reporting period

Applicable Not applicable

No major accounting errors within reporting period that needs retrospective restatement for the Company in the period.

3. Note to the change of the scope of the consolidated statements in comparison with the previous year

Applicable Not applicable

In 2015, the company had completed the major asset replacement and the share-issuing to purchase the asset and raise matching funds, which swapped out the company's original total assets and liabilities, swapped in the equivalent part of the equity of the Sino Great Wall International Engineering Co., Ltd which was held by all the shareholders of Sino Great Wall International Engineering Co., Ltd. Sino Great Wall International Transfer to the Company in July 2015, Sino Great Wall International Engineering Co., Ltd shall be included in the consolidation scope in 2015.

4.Statement of the Board and the Supervisory Committee on the Non-standard Auditors' Report issued by the CPA.

Applicable Not applicable