



Sino Great Wall Co., Ltd.
The Semi-annual Report 2016

August 2016

I. Important Notice, Table of Contents and Definitions

The Board of Directors and the directors, Supervisory Committee and supervisors and Senior Executives of the Company hereby warrant that at the year , 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 Semi-Annual Report.

The Company has no plan of cash dividends carried out, bonus issued and capitalizing of common reserves either.

Mr.Chen Lve , The Company leader, 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 semi-annual report.

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Definition

Terms to be defined	Refers to	Definition
Company Law	Refers to	Company Law of the People's Republic of China
Securities Law	Refers to	Securities Law of the People's Republic of China
“CSRC”	Refers to	China Securities Regulatory Commission
Company, The Company, Sino Great Wall	Refers to	Sino Great Wall Co., Ltd.
Sino International	Refers to	Sino Great Wall International Engineering Co., Ltd.
BDO	Refers to	BDO China Shu Lun Pan Certified Public Accountants LLP
SZSE	Refers to	Shenzhen Stock Exchange
Reporting period	Refers to	January 1,2016 to June 30,2016
Wuhan Commercial & Vocational Hospital	Refers to	Wuhan Commercial & Vocational Hospital Co.,Ltd

II. Basic Information of the Company

I. Company Information

Stock abbreviation:	Sino Great Wall Sino-B	Stock code:	000018 200018
Stock exchange for listing	Shenzhen Stock Exchange		
Name in Chinese	神州长城股份有限公司		
Chinese Abbreviation	神州长城 神州 B		
English name (If any)	Sino Great Wall Co., Ltd.		
English Abbreviation (If any)	Sino Great Wall Sino-B		
Legal Representative	Chen Lve		

II. 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	010-89045855	010-89045855
Fax	010-89045856	010-89045856
E-mail	1208806865@qq.com	000018sz@sina.com

3.Other

(1)Way to contact the Company

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

Applicable Not Applicable

The registered address, office address and their postal codes, website address and email address of the Company did not change during the reporting period. The said information can be found in the 2015 Annual Report.

(2) About information disclosure and where this report is placed

Did any change occur to information disclosure media and where this report is placed during the reporting period?

Applicable Not applicable

The newspapers designated by the Company for information disclosure, the website designated by CSRC for disclosing this report and the location where this report is placed did not change during the reporting period. The said information can be found in the 2015 Annual Report.

(3) Registration changes of the Company

Whether registration has changed in reporting period or not

Applicable Not applicable

Date/place for registration of the Company, registration number for enterprise legal license number of taxation registration and organization code have no change in reporting period, found more details in annual report 2015.

III. Summary of Accounting Data and Financial Indicators

1. Summary of accounting /Financial Data

May the Company make retroactive adjustment or restatement of the accounting data of the previous years due to change of the accounting policy and correction of accounting errors.

Yes No

	Reporting period	Same period of last year	YoY+/- (%)
Operating income (RMB)	1,953,574,755.51	2,081,209,219.16	-6.13%
Net profit attributable to the shareholders of the listed company (RMB)	202,299,416.64	165,342,341.12	22.35%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	175,937,165.15	165,020,064.04	6.62%
Cash flow generated by business operation, net (RMB)	-1,256,615,959.20	-243,795,872.83	415.44%
Basic earning per share(RMB/Share)	0.12	0.10	20.00%
Diluted gains per share(RMB/Share)(RMB/Share)	0.12	0.10	20.00%
Weighted average ROE(%)	14.47%	12.84%	1.63%
	As at the end of the reporting period	As at the end of last year	YoY+/- (%)
Gross assets (RMB)	5,781,742,089.91	4,017,462,824.63	43.92%
Shareholders' equity attributable to shareholders of the listed company (RMB)	1,514,525,228.17	1,282,256,738.74	18.11%

II. Differences between accounting data under domestic and overseas accounting standards

1. Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards.

Applicable Not applicable

No difference.

2. Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards.

Applicable Not applicable

No difference .

III.Items and amount of non-current gains and losses

√Applicable □Not applicable

In RMB

Items	Amount	Notes
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	46,868.49	Proceeds from the sales of bank financial products
Other non-operating income and expenditure except for the aforementioned items	26,315,383.00	According to the Land Transfer (Expropriation) Compensation Agreement of Shenzhen Dapeng New District People's Hospital Construction Project, the compensation shall be made for the expropriation of the land and on-ground buildings in Kuixin community which belongs to the company's Kuiyong branch located in Shenzhen Dapeng New district.
Total	26,362,251.49	--

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.

IV. Report of the Board of Directors

I. General

Since 2015, SGW Co., LTD has shorten the interior fitting business in China , extensively developed the overseas EPC projects and investment opportunity, and strengthen the Medical Care and PPP investment. Affected by the slowdown in the domestic construction market and so forth factors, the company's domestic decoration business had got a slowdown in a certain extent, gross profit margin is low. As for the company's overseas business development, , SGW successively signed a major construction contracts in southeast Asia and Africa, other countries and regions. SGW signed a memorandum of understanding about Ethiopia medical industrial park with China's transportation construction Co.,Ltd. International engineering branch. The overseas business has kept good growth rate, overseas revenue grew by 103.64% year on year, which covers the rate of 74.62% of total revenue of SGW Co., LTD.

For the Medical Care, SGW Co., LTD has acquired Wuhan Commercial & Vocational Hospital Co.,Ltd (hereinafter referred to as "Wuhan Commercial & Vocational Hospital ") . Moreover, SGW invested the PPP Project of the first Phase of Lu YI Xian Ren Ming Hospital Removal and Construction Works. SGW Co., Ltd won the bid of Guizhou Zhong Shan Liang DU Hong Qiao Third-Grade Class-A Hospital Project. And the medical care investment and PPP project have a very good beginning.

To look forward, based on the analysis to the Construction Market of domestic and Abroad and current state and future development prospect, SGW Co., Ltd will go on strengthening the EPC Contracting and investment along the “ One Road, One Belt” Countries, enhance the investment of Medical Care and PPP business to keep the rapid growth of current business. Besides, in order to secure the stable growth of domestic business, the Company will actively respond to the Government Policy, Seize the development opportunity , where Chinese Government and Social Capital work together, fully develop the PPP investment and construction opportunity. SGW Co. Ltd will improve its business scope and profitability so as to lay a solid foundation for the everlasting development.

During the reporting period, the company realized the total revenue of RMB 1953.5748 million, a decrease of 6.13% compared to the same period of last year; realized the operating profits of RMB 213.0631 million, a decrease of 5.79% compared to the same period of last year; realized the net profits attributable to shareholders of the listed company of RMB 202.2994 million, an increase of 22.35% compared to the same period of last year.

II. Analysis on principal Business

Year-on-year changes in major financial statistics

In RMB

	This report period	Same period last year	YOY change (%)	Cause change
Operating income	1,953,574,755.51	2,081,209,219.16	-6.13%	
Operating cost	1,460,727,131.33	1,690,684,183.21	-13.60%	
Sale expenses	9,259,264.24	7,502,905.30	23.41%	
Administrative expenses	112,993,754.29	64,838,318.67	74.27%	Mainly due to the setting-up of overseas group company and overseas regional companies in the second half year of 2015. Due to the increase of overseas

				management personnel in the current reporting period compared to the previous period.
Financial expenses	70,024,674.60	17,908,021.84	291.02%	Due to the increase of borrowing from financial institutions in the current period
Income tax expenses	37,862,759.83	61,167,289.27	-38.10%	Due to the change of income tax rate of the company's subsidiary
R&D investment	64,858,681.88	64,725,606.72	0.21%	
Net cash flows from operating activities	-1,256,615,959.20	-243,795,872.83	415.44%	Due to the project cash deposit as collateral and expenditure of advanced payment increased largely as the overseas business increased rapidly in the current period
Net cash flows from investing activities	-100,287,677.86	-16,471,509.45	508.86%	Due to the payable of Wuhan Commercial & Vocational Hospital Co.,Ltd in the current period.
Net cash flows from financing activities	1,383,660,404.96	177,769,654.93	678.34%	Due to the borrowing from bank increased in the current period
Net increase in cash and cash equivalents	28,377,720.07	-82,539,347.92	-134.38%	

Major changes in profit composition or sources during the report period

Applicable Not applicable

The profit composition or sources of the Company have remained largely unchanged during the report period.

Delay of future development and plan disclosed in Company's IPO prospectus, fund raising prospectus and capital reorganization report into this report period.

Applicable Not applicable

No future development and plan disclosed in Company's IPO prospectus, fund raising prospectus and capital reorganization report into this report period.

Implementation of business plans disclosed in previous periods in this period.

In view of the international and domestic economic situation, the company formulated the business plan of "strengthening the domestic decoration main business, expanding overseas construction market and promoting the layout in the health-care industry to ensure steady growth of business performance". During the reporting period, the company's overseas business maintained good growth, in the first half of the complete overseas business income is 1.458 billion RMB, the new signing and the winning project engineering 7.6 billion RMB; Company steadily promoting health investment, acquisition of Wuhan Commercial and Vocational Hospital, hospital PPP projects fall to the ground, one after another good operating plan execution.

III. Composition of principal businesses

In RMB

	Operating revenue	operating costs	Gross profit rate(%)	Increase/decrease of reverse in the same period of the previous year(%)	Increase/decrease of principal business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)

Industry						
Decoration works	514,581,944.96	430,177,995.85	16.40%	-63.02%	-63.21%	0.42%
Engineering design	61,377.29	989,075.00	65.43%	-44.58%	-68.76%	26.76%
EPC	1,430,818,506.77	1,029,560,060.48	28.04%	113.63%	102.36%	4.01%
Product						
None						
Area						
Domestic	495,748,253.47	409,999,729.35	17.30%	-63.69%	-64.17%	1.11%
Overseas	1,457,710,561.70	1,050,727,401.98	27.92%	103.64%	92.34%	4.23%

IV. Analysis on Assets and Liabiliti

Great Wall Co., Ltd., an comprehensive building operation enterprise, specializes in designing and constructing for the building decoration engineering as well as relevant engineering operation. The Company's building operation business mainly includes overseas engineering contract and domestic engineering decoration, electromechanics installment and curtain wall design and operation. In recent years, with the larger strength in extending the Company's overseas market, the increasing quantity and scale of overseas project and the strong growth in overseas business, the Company's competitive advantages are mainly reflected as the following aspects:

1. Service advantages of integration

The Company owns Grade A qualification of specific building decoration engineering and design, Grade I qualification to professionally contract the building decoration engineering, Grade I qualification to professionally contract electromechanic installment engineering and Grade I qualification to professionally contract the curtain wall installment engineering. Meanwhile, the Company owns the qualification to operate the external engineering contract. The complete design and operation qualification owned by the Company enable itself to provide the clients with the integration service of the whole industrial-chain operation and design in decoration, electromechanics installment and curtain wall. The Company has experienced in operation and ability on project management with the whole industrial-chain integration services, such as project design, civil engineering, electromechanics, refined decoration and the fire safety of curtain wall, where the Company can independently complete the whole process of operation business for the building engineering project. In the area of building engineering, the Company can form a joint-force advantage, reasonably arrange purchase, labor and the operation plan for projects, optimizing the progress of project, effectively shorten the project time limit, decreasing the overall cost of the project and realizing the maximum in the project profit.

2. Preemptive advantages and brand effect of overseas business

Judging from the international and domestic economic situations and the construction market, the company assessed the situation ahead of others and made the layout of the overseas market, to form marketing team for overseas construction business in advance, cultivate abilities of project management training and business negotiation, and accumulate experience in the construction project. Familiar with the political and economic environment in overseas markets, the construction market environment and labor market and labor regulations, the company can make reasonable estimates about construction projects, effectively control construction projects and win customers' acceptance by offering the engineering of perfect quality. With winning the bid and completion of local landmarks, the company's visibility and influence in countries of the Middle East, Southeast Asia has been increasing promoted establishing a good corporate image and brand image.

3. Advantages of talented personnel

Talent competition is the core part of enterprise competition, as talents are the most valuable asset of enterprises. In order to ensure the stability of the company's personnel, various effective measures has been carried out, including continuing to introduce talents, mobilizing and inspiring the enthusiasm and creativity of employees work, sharing incentives for business growth with employees, and giving part of the company directors, supervisors and senior management personnel and business backbones the privileged rights to purchase non-public shares. In this way, listed companies and employees share a mutual benefits, and their subjective initiative would be inspired, promoting the company's rapid development of overseas and domestic business. The Company's core business management team, experienced in operating and skillfully marketing, is of high quality and capability, like management capability, leaving good support for development of the company in future.

4. Distribution Advantage of Healthcare Industry

The Company mainly adopts the model of PPP. With the correlated approach of Construction plus Healthcare, the Company purchases or co-operates the current hospital and invests to build new hospitals as well as other healthcare projects. Since 2015, the Company has taken healthcare industry as another key point for the future development, and the Company has purchased Commercial Employees Hospital of Wuhan, and has invested in relocation project period I of People's Hospital of Luyi as well as winning the bidding of the project of Guizhou Zhongshan Liangdu Hongqiao Top Three Hospital, where distribution goes well in healthcare industry.

V. Analysis on investment Status

1. External Equity investment

(1) External investment

Applicable Not applicable

External investment		
Investment amount (January-June 2016)(RMB)	Investment Amount (January-June 2015) (RMB)	Change rate(%)
9,700.00	0.00	100.00%
Particulars of investees		
Name	Principal business	Proportion in the investees' equity(%)
Wuhan Commercial & Vocational Hospital Co.,Ltd	Preventive health care section, internal medicine, surgery, obstetrics and gynecology, pediatrics, ophthalmology, otolaryngology, department of stomatology, department of dermatology, infection disease department, oncology, department of anesthesiology, medical laboratory, department of pathology, medical imaging department, department of traditional Chinese medicine, integrated traditional Chinese medicine and Western Medicine, hemodialysis room. (The business scope and the operating period complied with the business scope and the operating period of the approved license). (Items subject to the approval by laws shall be carried out after	100.00%

	the approval by the relevant departments)	
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(2) Holding of the equipty in financial enterprises

Applicable Not applicable

There was no Holding of the equipty in financial enterprises.

(3) Securities investment

Applicable Not applicable

There was no investment in securities by the Company in the Reporting period.

(4) Explanation on Holding Equity in Other Listed Companies

Applicable Not applicable

There was no holding equity in other listed companies in the reporting period.

II.Information of trust management, derivative investment and entrusted loan

(1) Trust management

Applicable Not applicable

There was no trust management of the Company in the Reporting period.

(2) Derivative investment

Applicable Not applicable

There was no derivative investment of the Company in the reporting period.

(3) Entrusted loan

Applicable Not applicable

There was no entrusted loan of the Company in the reporting period.

III.Application of the Raised funds

Applicable Not applicable

(1) General application of the raised funds

Applicable Not applicable

In RMB'0000

Total amount of the raised capital	25,500
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Total raised capital invested in the report period	3,366.36
Total accumulative raised capital invested	4,966.36
Amount of raised capital of which the purpose was changed in the report period	0
Accumulative amount of raised capital of which the purpose has been changed	0
Proportion of raised capital of which the purpose has been changed (%)	0.00%

Notes to use of raised capital

As of June 30, 2016, the accumulative use of the raised funds by the company was RMB 49,663,565.80, and for the reporting period, the amount of RMB 33,663,565.80 of raised funds was used. As of the end of the reporting period, the company invested a total of RMB 32,265,103.15 to the overseas marketing network construction project, the amount of RMB 276,000 was invested for the second phase construction of the informatization project, the transaction related taxes and fees and intermediary fees were RMB 17,122,462.65, the balance of the raised funds that have not been used was RMB 205,336,422.92; besides, there was RMB 150,000,000 of idle raised funds temporarily used for supplementing the company's liquidity, the interest income of the special account for raised funds was RMB 348,438.57, the handling charge of the special account for raised funds was RMB 639.26 and the actual balance of the special account for raised funds was RMB 55,684,222.23.

(2) Promised projects of raised capital

Applicable Not applicable

In RMB'0000

Committed investment projects and investment	Project changed (including partial change)	Total raised capital invested as committed	Total investment after adjustment (1)	Amount invested in the reporting period	Accumulated amount invested at the end of the reporting period (2)	Investment progress ended the reporting period (%) (3)=(2)/(1)	Date when the project has reached the predicted applicable status	Benefit realized in the reporting period	Has the predicted result been realized	Has any material change taken place in feasibility
Committed investment projects										
1. Overseas marketing network construction project	No	10,000	10,000	3,226.51	3,226.51	32.27%			Yes	No
2. Informatization Construction Phase II	No	2,500	2,500	27.6	27.6	1.10%			Yes	No
3. Related taxes and agency fees of this transaction	No	13,000	13,000	112.25	1,712.25	13.17%			Yes	No
Subtotal of committed investment projects	--	25,500	25,500	3,366.36	4,966.36	--	--		--	--
Investment orientation for und arising out of plan										

No										
Total	--	25,500	25,500	3,366.36	4,966.36	--	--	0	--	--
Situation about not coming up to schemed progress or expected revenue and the reason (in specific project)	Not applicable									
Notes to significant change in feasibility of the project	No									
Amount, application and application progress of the unbooked proceeds	Not applicable									
About the change of the implementation site of the projects invested with the proceeds	Not applicable									
Adjustment of the implementation way of investment funded by raised capital	Not applicable									
About the initial investment in the projects planned to be invested with the proceeds and the replacement	Not applicable									
Using the idle proceeds to supplement the working capital on temporary basis	Applicable For maximizing the using efficiency of the raised funds and reducing the financial costs, the company shall, with full consideration of the funds use plan for the projects invested by the raised funds, use RMB 150,000,000.00 to temporarily supplement the liquidity, with a term not exceeding 12 months and such amount was expected to be returned to the special account for raised funds before May 30, 2017. Such item had been examined and approved in the 9th board meeting of seventh session board of directors of the company, and the company's board of supervisors, independent directors and the sponsor all had issued a consent to it. During the use term, the company did not change the purpose of the raised funds, not affect the normal conduct of the investment plans by the raised funds and not carry out the securities investment and so forth risky investment.									
Balance of the proceeds in process of project implementation and the cause	Not applicable									
About application and	Unused raise funds to raise money deposited in the account									

status of the proceeds unused	
Problems existing in application of the proceeds and the information disclosure or other issues	Not applicable

(3) Changes of raised funds projects

Applicable Not applicable

The Company had no raised funds in company reporting period.

(4) Fund-raising project

Fund-raising project overview	Disclosure date	Disclosure index
Special report of raised storage and usage	August 27,2016	http://www.cninfo.com.cn

4. Analysis on principal subsidiaries and Mutual Shareholding Companies

Applicable Not applicable

Particulars about the principal subsidiaries and Mutual shareholding companies

In RMB

Company Name	Company type	Sectors engaged in	Leading products and services	Registered capital	Total assets(RMB)	Net assets (RMB)	Turnover (RMB)	Operating profit (RMB)	Net Profit (RMB)
Sino Great Wall International Engineering Co., Ltd.	Subsidiaries	Contract of construction project, decoration, healthcare investment	Construction general contracting, labor subcontracting; engineering survey and design; professional contracting; engineering design for the construction decoration; building curtain wall design, etc.	70,136,099	5,149,598,575.25	1,379,172,829.79	1,953,458,815.17	246,681,884.71	208,881,098.88

V. Significant projects of investments with non-raised funds

Applicable Not applicable

The company has no project invested by raised fund in the reporting period.

VI. Prediction of business performance for January -September 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

Forenotice of earning : Year-on-year increase

Type of data file for the prediction

	Year beginning to end of next report period			Same period of the previous year	Increase or decrease%			
Estimated amount of accumulative net profit(RMB'0000)	29,000	--	34,000	24,295.28	Increase	20.00%	--	40.00%
Basic earnings per shares (Yuan/share)	0.17	--	0.20	0.14	Increase	21%	--	43%
Notes to forenotice of earnings	The company's overseas business was steadily developed with a growing momentum, which led to that the company's profits were steadily increasing, therefore the company implemented the plan of increasing shares by converting capital reserve into share capital-on the basis of 28 shares increased for every 10 shares, which rendered that earnings per share from the begging of the year to the next reporting period decreased a little compared to the same period last year/							

VII. Explanation of the Board of Directors and the Supervisor Committee concerning the “Non-standard audit report ” issued by the CPAs firm for the reporting period

Applicable Not applicable

VIII.Explanation by the Board of Directors about the “ non-standard audit report “ for lastyear.

Applicable Not applicable

IX. Profit distribution carried out in the report period

Execution or adjustment of profit distribution, especially cash dividend, and capitalizing of reserves in the report period.

Applicable Not applicable

During the reporting period, upon the base of total share capital of 446,906,582 shares on the date of December 31, 2015, 28 shares were increased for every 10 shares to all the shareholders by converting capital reserve into share capital, therefore the total increased shares by converting capital reserve into share capital were 1,251,338,429

shares, so the total share capital were 1,698,245,011 shares after such share increasing by converting capital reserve into share capital.

Special explanation of the cash dividend policy	
Whether conformed with the regulations of the Articles of association or the requirements of the resolutions of the shareholders' meeting:	Yes
Whether the dividend standard and the proportion were definite and clear:	Yes
Whether the relevant decision-making process and the system were complete:	Yes
Whether the independent director acted dutifully and exerted the proper function:	Yes
Whether the medium and small shareholders had the chances to fully express their suggestions and appeals, of which their legal interest had gained fully protection:	Yes
Whether the conditions and the process met the regulations and was transparent of the adjustment or altered of the cash dividend policy:	Not applicable

X. Preplan for profit distribution and turning capital reserve into share capital in the reporting period

Applicable Not applicable

The Company planed that no to distribute cash dividend, bonus shares and there was no turning of capital reserve into share capital.

XI. Particulars about researches, visits and interviews received in this reporting period

Applicable Not applicable

Reception time	Reception place	Way of reception	Types of visitors	Vistors rece3ived	Discussion topics and provision of materials
January 20,2016	BOD office of the Company	Onsite investigation	Organizational	GF Securities . Tang Xiao, GF Securities. Yue Hengyu	Information of the company's overseas orders and overseas staffing; the company's advantages of entering into the medical industry. No document provided
February 1,2016	BOD office of the Company	Onsite investigation	Organizational	Guohai Securities. Wang Xin, Yinhua Fund. Su Jingran, Yinhua Fund. Li Xiaohui, South Fund. Cao Fan. Minsheng Securities. Yan Xiaoqing, Minsheng Securities. Wang Xiao, BOBBNS. Wang	The situation and advantages of the company's overseas business; the mode of the company's investment to

				Liang,CMS. Wang Binpeng,Great Weal Wealth Assets. Zhang Yuehong,Shibei Investment. Pan Hongxing,CRT. Xiao Chuanzhe and CRT. Li Yanhua.	hospitals, negotiated priorities, impacts to the company's business performance and staffing of the medical team. No document provided
March 3,2016	BOD office of the Company	Onsite investigation	Organization	Wanmeng Shengshi. Liu Zhikai, Wanmeng Shengshi. Sun Yuqi, Wanmeng Shengshi Gong Pu, Hanhe Capital. Xue Tao,Essences. Song Yilu, Essences. Xia Tian and Huaxia Life. Xie Dacheng.	The mode of the company's investment to hospitals, negotiated priorities, impacts to the company's business performance; Information of the company's overseas orders and overseas staffing. No document provided
March 11,2016	BOD office of the Company	Onsite investigation	Organization	Mingji International Investment .Zhu Quan.	Engineering information of the company's domestic and foreign business and the considerations on the medical field investment. No document provided
May 4,2016	BOD office of the Company	Onsite investigation	Organization	Xingshi Investment. Feng Du, Yin Hua Fund. Zhang Ke.	Information of the company's business performance, orders in hand and the mode of investment to hospitals. No document provided
May 24,2016	BOD office of the Company	Onsite investigation	Organization	Hina Brodercasting Culture Media Group.Xiong Shengyou, Hina Brodercasting Culture Media Group. Qin Weichuan, Guotai Junan . Chen Xiao,Guotai Junan . Shen Zhenhao, Holly Hight . Jia Shuai, Daxing Sixiang. Zhang Liang,Guohai Securities. Wang Xin and Guohai Securities. Li Xiang.	The company's basic information, development strategy and information of medical business development. No document provided

V. Important Events

1. Governance of the Company

During the reporting period, The company has strictly abided by the relevant laws, rules and regulations requested on “Corporate Law”, “Securities Law”, “Listing Rules of Shenzhen Stock Exchange” and “Governance Rules of Listed Companies” and by China Securities Regulatory Commission, established and perfected the internal control management system, and constantly made the deep improvement of the corporate governance activities to further standardize the company operations and improve the management level. The company’s governance meets the basic requirements of regular documents on the governance of the listed companies issued by China Securities Regulatory Commission. On March 14, 2016, The Proposal on Revising the Articles of Association of the Company and the Proposal on Revising the Company’s Internal Control System were examined and approved in the 5th board meeting of the company’s seventh session board of directors, which had comprehensively revised the company’s Articles of Association and each management system.

(1). Shareholders and shareholders' general meeting: The Company convened and held shareholders' general meeting strictly according to the requirements of Opinions on Standardization of Shareholders' General Meeting of Listed Companies, formulated Rules of Procedure of Shareholders' General Meeting, ensured all shareholders, especially medium and small shareholders, enjoy equal position and can fully exercise their own rights.

(2). Relationship between the controlling shareholder and the Company: The acts of the controlling shareholder of the Company were standardized. It did not exceed the authority of the shareholders' general meeting to directly or indirectly intervene with the decision-making and operating activities of the Company. The Company is independent from its controlling shareholder in respect of personnel, assets, finance, organ and business. The board of directors, the supervisory committee and internal organ of the Company are able to operate independently.

(3) The Directors and The Board of Directors: the Board of Directors includes four special committees, such as Audit Committee, Nomination Committee, Strategy Committee and Remuneration and Appraisal Committee, which has provided a favorable support to the company for the decision-making related issues. Each special committee has operated according to their work responsibilities and procedure rules, made research and examination for the relative business and major issues of the company, and expressed the professional opinions in the Board of Directors to offer support and advice for the scientific decision-making of the Board and ensure the Board’s work more scientific and efficient. Also, the organization of the Board of Directors is in line with the requirement of laws and regulations, and the independent directors play an important role in the corporate decision-making. So, the company attaches importance to the function of the independent directors. In the company’s management, the independent directors make careful review and express the independent views for the financial audit, the affiliated transactions and other issues.

(4). Supervisors and the supervisory committee: The number and composition of the Supervisory Committee of the Company complied with the requirements of laws and regulations. The Supervisory Committee of the Company formulated the Rules of Procedure of the Supervisory Committee. The supervisors of the Company were able to perform their duties seriously, take the attitude of being responsible for all shareholders and supervise the legality and regulation conformity of the Company's finance and the duty performance of the directors, managers and other senior executives of the Company.

(5) During the report period, the Company’s shareholders strictly fulfilled the commitments made at the reorganization, where no over-due fulfillment of commitment existed.

(6)Information disclosure and transparency: The Company designated the secretary to the board of directors to be responsible for information disclosure, Regulations on Management of Information Disclosure, Regulations on Management of External Information Users and reception of shareholder and consultation. In the report period, the Company was able to truly, accurately, completely and timely disclose relevant information according to the provisions of laws, regulations and the Articles of Association of the Company. The Company will continue to operate in a standardized way strictly according to the requirements of relevant laws and regulations including the Company Law, further perfect company administration structure and establish and improve various regulations in light of the gap with the requirements of Standards of Administration of Listed Companies, ensure the maximization of shareholders' interests and safeguard the lawful rights and interests of all shareholders.

(7)The legitimate rights and interests of stakeholders: the company respects and safeguards the interests of the legitimate rights and interests of stakeholders, realized the balance of the rights and interests of all parties, such as shareholders, customers, enterprise and staff. The company adhered to the win-win relationships and mutual developments with the stakeholders

Standardized operation is the foundation and guarantee for the healthy development of the enterprise, the company will, in accordance with The Company Law, Provisional Code of Corporate Governance for Listed Company, Shenzhen Stock Exchange Stock Listing Rules ,Standardize Operational Guidelines for Listed Companies on the Main Board of Shenzhen Stock Exchange and the requirements of relevant laws and regulations, continue to improve the internal control system and the corporate governance structure, raise the level of standardized operation, safeguard the legitimate rights and interests of all shareholders, thus to ensure the company's sustainable, steady and healthy development.

There exist no difference in compliance with the corporate governance , the PRC Company Law and the relevant provisions of CSRC.

II. Lawsuits affairs

Major lawsuits and Arbitration affairs

Applicable Not applicable

The Company has no major lawsuit or arbitration in the report period.

Other Lawsuits affairs

Applicable Not applicable

III. Query form media

Applicable Not applicable

In the reporting year, the Company had no query from media

IV. Bankruptcy or Reorganization Events

Applicable Not applicable

There Company was not involved in any bankruptcy or reorganization events in the reporting period.

V. Transaction in Assets

1. Purchase of assets

√ Applicable □ Not applicable

Counter-party or Ultimate Controlling Party	Acquired or Purchased Assets	Transaction Price (10 thousand yuan)	Progress (Note 2)	Impact on Company's Business (Note 3)	Influence on the Profit and Loss of the Company (Note 4)	Ratio of the Net Income Caused by the Asset Contributing to the Listed Company in Total	Connected Transaction	Relation with Counter-party (applicable to associated business situation)	Date of Disclosure (Note 5)	Disclosure Index
13 individual shareholders including Wang Jide, Fu Jiuzhou, Zeng Xiankao	Wuhan Commercial and Vocational Hospital Co., Ltd	9,700	The ownership transfer of the assets had been completed	Expanded the company's medical services, improved the layout of the company's medical services industry and it's conducive for making a new profit growth point	The contributed net profits ('0000) to the listed company during the period from the date of purchase to the end of the reporting period	0.00%	No	No	May 11, 2016	Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn . On May 11, 2016

2. Sale of assets

□ Applicable √ Not applicable

There is no sale of assets in the Company during the reporting period

3. Business combination

□ Applicable √ Not applicable

There is no Business combination in the Company during the reporting period

VI. Implementation and Influence of Equity Incentive Plan of the Company

□ Applicable √ Not applicable

There is no equity incentive plan and its implementation in the Company during the reporting period.

VII. Significant related-party transactions

1. Related transactions in connection with daily operation

√ Applicable □ Not applicable

Related parties	Relationship	Type of trade	Subjects of the related transactions	Principle of pricing the related transactions	Price of trade	Amount of trade RMB0'000	Ratio in similar trades	Trading limit approved (RMB'0000)	Whether approved limited or not (Y/N)	Way of payment	Market price of similar trade available	Date of disclosure	Index of information disclosure
Qinghai Heyi Trade Co., Ltd.	The company where the Company's director holds the post of legal person	Procurement of goods/services	Material Goods	Market price	Market price	2,134.06	2.12	6,000	No	Quarterly settlement	Market price		
Kunwu Jiuding Investment Management Co., Ltd. And related party	5% or more shareholders are subject to the same control	Sale of goods / services	Decorative items	Market price	Market price	25.7	0.50		No	Settlement by contract	Market price		
Beijing Baolilai Technology Co., Ltd.	The company where the Company's director holds the post of legal person	Sale of goods / services	Decorative items	Market price	Market price	19.8	0.038		No	Settlement by contract	Market price		
Total				--	--	2,179.56	--	6,000	--	--	--	--	--
Details of any sales return of a large				None									

amount	
Give the actual situation in the report period where a forecast had been made for the total amounts of routine related-party transactions by type to occur in the current period(if any)	On April 13,2016, the Company convened the 6th meeting of the 7th board of directors,which examined and adopted “Proposal on the Company’s Daily Related Transaction in 2016”, predicting the total amount of daily transaction between the Qinghai Heyi Trade Co., Ltd., the related party, incurred RMB 60 million. This proposal has been examined and adopted by the annual shareholder’s meeting of the Company in 2015: The related transaction amount actually incurred RMB 21.7956 million in the first half year of 2016.
Reason for any significant difference between the transaction price and the market refernce price (if applicable)	Not applicable

2. Related-party transactions arising from asset acquisition or sale

Applicable Not applicable

The Company was not involved in any related-party transactions arising from asset acquisition or sale during the reporting period.

3. Related-party transitions with joint investments

Applicable Not applicable

The Company was not involved in any related-party transaction with joint investments during the reporting period.

4. Credits and debt with related parties

Applicable Not applicable

The existence of non operating related credit and debt of the Company.

Yes No

There existence of non operating related credit and debt of the Company of the reporting period.

Debt due to related parties:

Related party	Connection relation	Reasons	Opening balance	New issue amount	The amount ofrestitution period	Rate	Interest	Closing Balance
Chen Lue	Controlling shareholder and actual controller	business development	38,028.76	9,385.5	47,414.26	0.00%	0	0
Xian Zhijuan	Controlling shareholder and actual controller Chen Lue Niece	Support business development	0	15,000,000	15,000,000	0.00%	0	0
Effect of debts related to operation of the	Mr Chen Lue and Ms. Xian Zhijuan provided financial support to the company, will help the company expand their business, improve business performance.							

Company	
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5. Other related-party transactions

Applicable Not applicable

The Company was not Other significant related-party transactions during the reporting period.

VIII. Particulars about the non-operating occupation of funds by the controlling shareholder

and other related parties of the Company

Applicable Not applicable

The Company was not involved in the non-operating occupation of funds by the controlling shareholder and other related parties during the reporting period..

IX. Particulars about significant contracts and their fulfillment

I. Particulars about trusteeship, contract and lease

(1) Trusteeship

Applicable Not applicable

There was no any trusteeship of the Company in the reporting period.

(2) Contract

Applicable Not applicable

There was no any contract of the Company in the reporting period.

(3) Lease

Applicable Not applicable

There was not involved in any lease of the Company in the reporting period.

II. Guarantees provided by the company

Applicable Not applicable

In RMB'0000

External Guarantee (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of the guaranteed	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated

	amount							parties (Yes or no)
Total of external guarantee approved in Period(A1)		0		Total of actual external guarantee in Period(A2)				0
Total of external guarantee approved at Period-end(A3)		0		Total balance of actual external guarantee at Period-end(A4)				0
Guarantee of the Company for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Sino Great Wall	March 15,2016	20,000	March 30,2016	20,000	The joint liability guaranty	1 year	No	No
Sino Great Wall	March 15,2016	15,000	April 7,2016	15,000	The joint liability guaranty	1 year	No	No
Sino Great Wall	March 15,2016	3,000	March 25,2016	3,000	The joint liability guaranty	1 year	No	No
Sino Great Wall	March 15,2016	10,000	April 26,2016	10,000	The joint liability guaranty	1 year	No	No
Sino International		12,000	January 13,2016	12,000	The joint liability guaranty	1 year	No	No
Sino International		10,000	January 13,2016	10,000	The joint liability guaranty	1 year	No	No
Sino International		20,000	January 21,2016	20,000	The joint liability guaranty	1 year	No	No
Sino International		10,000	April 26,2016	10,000	The joint liability guaranty	1 year	No	No
Sino International		20,000	April 19,2016	20,000	The joint liability guaranty	1 year	No	No
Sino International		15,000	June 21,2016	15,000	The joint liability guaranty	1 year	No	No
Sino International		40,000	June 28,2016	40,000	The joint liability guaranty	2 years	No	No
Sino International		2,000	September 29,2015	2,000	The joint liability guaranty	1 year	No	No
Sino International		2,000	November 17,2015	2,000	The joint liability guaranty	1 year	No	No
Sino		5,000	December 16,2015	5,000	The joint liability	1 year	No	No

International					guaranty			
Total of guarantee for subsidiaries approved in the Period (B1)		500,000		Total of actual guarantee for subsidiaries in the Period (B2)				48,000
Total of guarantee for subsidiaries approved at Period-end (B3)		500,000		Total of actual guarantee for subsidiaries at Period-end (B4)				48,000
Guarantee of the Company for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Sino International		1,000	December 25,2015	1,000	Joint liability guaranty	1 year	No	No
Total guarantee quota to the subsidiaries approved in the reporting period (C1)		2,000		Total amount of guarantee to the subsidiaries actually incurred in the reporting period (C2)				1,000
Total guarantee quota to the subsidiaries approved at the end of the reporting period (C3)		2,000		Total balance of actual guarantee to the subsidiaries at the end of the reporting period (C4)				1,000
Total of Company's guarantee (namely total of the large three aforementioned)								
Total of guarantee in the Period (A1+B1+C1)		502,000		Total of actual guarantee in the Period (A2+B2+C2)				49,000
Total of guarantee at Period-end (A3+B3+C3)		502,000		Total of actual guarantee at Period-end (A4+B4+C4)				49,000
The proportion of the total amount of actually guarantee in the net assets of the Company(A4+B4+C4)				32.41%				
Including:								
Amount of guarantee for shareholders, actual controller and its associated parties (D)				0				
The debts guarantee amount provided for the Guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly (E)				48,000				
Proportion of total amount of guarantee in net assets of the company exceed 50% (F)				0				
Total guarantee Amount of the abovementioned guarantees (D+E+F)				0				

Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees (If any)	None
Explanations on external guarantee against regulated procedures(If any)	None

Description of the guarantee with complex method

(1) Illegal providing of external guarantees

Applicable Not applicable

No illegal providing of external guarantees in the report period.

III. Other significant contracts

Applicable Not applicable

There was no other significant contract of the Company in the reporting period.

Contract the name of the Company	Counterpart contract name	Contract object	Date	Pricing principles	The transaction price	Whether the related party transaction	Related transaction	The report on the final implementation
Sino Great Wall International Engineering Co., Ltd.	Haoli Consulting Management Co., Ltd.	Min apartment projects	May 31, 2016	Pricing agreements	USD 120 million	No	None	Geological exploration and overlay has been completed, in site construction
Sino Great Wall International Engineering Co., Ltd.	MOTTAMA Holdings Co., Ltd.	MTower Office tower project	May 31, 2016	Pricing agreements	USD 80 million	No	None	Geological exploration and overlay has been completed, in site construction
Sino Great Wall International Engineering Co., Ltd.	OXLEY-GEM(CAMBODIA)CO.,LTD.	PP50 project	May 31, 2016	Pricing agreements	USD 285 million	No	None	Has enter the arena, under preparation work before construction
Sino Great Wall International Engineering Co., Ltd.	China Railway No.14 Bureau Group Co., Ltd.	BISKRA province HAMMAM SALIHINE Hotell	May 31, 2016	Pricing agreements	MKD 4705.0982 million	No	None	Under preparation work before construction
Sino Great Wall International	Banque Congolaise de	The republic of Congo 5000 sets	June 29, 2016	Pricing	USD 300 million	No	None	Under preparation work before

Engineering Co., Ltd.	l'Habitat	of modern economy applicable room project		agreements				construction
Sino Great Wall International Engineering Co., Ltd.	PT.WANXIAN G NICKEL INDONESIA	The republic of Congo 5000 sets of modern economy applicable room project	August 1,2016	Pricing agreements	RMB 1.5015 billion	No	None	Has enter the arena, under preparation work before construction

IV. Other significant transactions

Applicable Not applicable

There was no other significant transaction of the Company in the reporting period.

X. Commitments made by the Company or shareholders holding over 5% of the Company's shares in the reporting period or such commitments carried down into the reporting period

Applicable Not applicable

Commitment	Commitment maker	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 assets reorganization	Chen Lve, He Feiyan	Shares acquired by purchases of assets through 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	March 19,2015	36 months	Strict performing

		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 March 19,2015 36 months Strict performing Shenzhen Victor Onward Textile Industrial Co., Ltd. The Third Quarterly Report 2015. 14 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.			
	Chen Lve	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 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.	March 19,2015	36 months	Strict performing
	Chen Lve	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	March 19,2015	Long-term	Strict performing

		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.			
	Chen Lve	In view of the fact that the houses rented by Sino Great Wall and its 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	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 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.	March 19,2015	Long-term	Strict performing
	Chen Lve	"1. Up to October 13th,2014, the related expenses of the litigation and arbitration cases, including	March 19,2015	Long-term	Strict performing

		the actual price, compensation, penalty, ligation 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.			
	Chen Lve	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 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.	March 19,2015	Long-term	Strict performing
	Chen Lve	“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	March 19,2015	Long-term	Strict performing

		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 from any loss ”.			
	Chen Lve	<p>“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 undertake to compensate by cash for Suzhou Lvbang’s losses which are due to this matter, guaranteeing no losses occur to Sino Great Wall and Suzhou Lvbang for this matter.</p>	March 19,2015	Long-term	Strict performing
	Chen Lve	<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</p>	March 19,2015	Long-term	Strict performing

		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 ".			
	Chen Lve, He Feiyan	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 accordance with "Performance Compensation Agreement" and its supplemental agreement	May 11,2015	Long-term	Strict performing
	Chen Lve; He Feiyan, Wuxi Hengtai Jiuding Assets Management Centre (LP) ;Yantai Zhaoxuan Yuantai Jiuding Venture	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	September 30,2015	Long-term	Strict performing

	<p>Investment Centre (LP) ;Suzhou Tianyao Zhongshan Jiuding</p> <p>Investment Centre (LP) ;Jiaxing Jiahe Jiuding</p> <p>Investment Centre (LP) ;</p>	<p>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 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. 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</p>			
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		<p>of the listed company's capital. (4)The Ensurance of the Institutional Independence of Listed Company</p> <p>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</p> <p>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 document.</p>			
	<p>Wuxi Hengtai Jiuding Assets Management Centre (LP) ; Yantai Zhaoxuan Yuantai Jiuding Venture Investment Centre (LP) ;Suzhou Tianyao</p>	<p>"Once I or our unit acquire the newly-added share of Victor Onward Company through this transaction, no transfers will occur in any way within 12 months from the listing date, including but not limited to public transfer by securities market or transfer by agreement, and no entrusting for others to manage my holding share of Victor Onward Holdings . Once the above-mentioned lockup period expires, I will implement the selling or transferring of the</p>	<p>March 19,2015</p>	<p>12 months</p>	<p>Strict performing</p>

	Zhongshan Jiuding Investment Centre (LP) ; Jiaxing Jiahe Jiuding Investment Centre (LP)	newly-added share of Victor Onward Holdings according to the relevant provision of CSRC and SZSE.			
	Chen Lve; He Feiyan,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)	“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.	March 19,2015	Long-term	Strict performing
	Union Development Group Co., Ltd.	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	March 19,2015	Long-term	Strict performing

		<p>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 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>			
	<p>Union Development Group Co., Ltd</p>	<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</p>	<p>March 19, 2015</p>	<p>Long-term</p>	<p>Strict performing</p>

	<p>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 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. 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 Shenzhen Victor Onward Textile Industrial Co., Ltd. The Third Quarterly Report 2015. 25 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</p>			
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		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 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.			
Commitments make in initial public offering or re-financing	No	No		No	No
Other commitments for medium and small shareholders	No	No		No	No
Completed on time(Y/N)	Yes				
If the commitments is not fulfilled on time, shall explain the specify reason and the next work plan	No				

XI. Particulars about engagement and disengagement of CPAs firm

Whether the semi-annual financial report had been audited?

Yes No

The semi-annual financial report has not been audited.

XII. Punishment and Rectification

Applicable Not applicable

There was no any punishment and rectification of the Company in the reporting period.

XIII. Reveal of the delisting risks of illegal or violation

Applicable Not applicable

There was no any delisting risk of illegal or violation of the Company in the reporting period.

XIV. Explanation about other significant matters

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, therefore the trade of the company's shares shall be restored from July 11, 2016. 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.

XV. Issuance of corporate bonds

Whether the company has corporate bonds that have been publicly issued and listed on the stock exchange, and not yet due or due but not fully cashed on the approval date of annual report

No.

VI. Change of share capital and shareholding of Principal Shareholders

1.Changes in share capital

In shares

	Before the change		Increase/decrease (+, -)					After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion
I. Share with conditional subscription	277,968,976	62.20%			778,313,133		778,313,133	1,056,282,109	62.20%
1.State-owned shares	0	0.00%			0		0		
2.State-owned legal person shares	0	0.00%			0		0		
3.Other domestic shares	277,968,976	62.20%			778,313,133		778,313,133	1,056,282,109	62.20%
Of which: Domestic legal person shares	99,888,348	22.35%			279,687,374		279,687,374	379,575,722	22.35%
Domestic natural person	178,080,628	39.85%			498,625,758		498,625,758	676,706,386	39.85%

shares									
4.Share held by foreign investors	0	0.00%			0		0		
Of which: Foreign legal person shares	0	0.00%			0		0		
Foreign natural person shares	0	0.00%			0		0		
II. Shares with unconditional subscription	168,937,606	37.80%			473,025,296		473,025,296	641,962,902	37.80%
1.Common shares in RMB	99,515,703	22.27%			278,643,968		278,643,968	378,159,671	22.27%
Foreign shares in domestic market	69,421,903	15.53%			194,381,328		194,381,328	263,803,231	15.53%
III. Total of capital shares	446,906,582	100.00%			1,251,338,429		1,251,338,429	1,698,245,011	100.00%

Reasons for share changed:

Applicable Not applicable

During the reporting period, upon the base of total share capital of 446,906,582 shares on the date of December 31, 2015, 28 shares were increased for every 10 shares to all the shareholders by converting capital reserve into share capital, therefore the total increased shares by converting capital reserve into share capital were 1,251,338,429 shares, so the total share capital were 1,698,245,011 shares after such share increasing by converting capital reserve into share capital.

Approval of Change of Shares

Applicable Not applicable

The company's 2015 annual share increasing plan by converting capital reserve to share capital was examined and approved in the 2015 annual general shareholder meeting convened by the company on May 6, 2016.

Ownership transfer of share changes

Applicable Not applicable

In June 2016, the company had implemented the company's 2015 annual share increasing plan by converting capital reserve to share capital, and the increased A-shares were directly put into the shareholders' A-share securities accounts on June 7, 2016. The increased B-shares were directly put into the shareholders' B-share securities accounts on June 13, 2016. When the increased shares were registered, the company's total share capital was increased to 1,698,245,011 shares.

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

Applicable Not applicable

On June 7, 2016, the company implemented the plan of 2015 annual profit distribution and share-increasing by converting capital reserve to share capital, thus the company's total share capital was changed to 1,698,245,011 shares from 446,906,582 shares. Based on the total share capital after the increasing, the diluted 2015-annual earnings per share were RMB 0.2041. The net assets per share attributable to the company's ordinary shareholders were RMB 0.75.

Other information necessary to disclose for the company or need to disclosed under requirement from security regulators

Applicable Not applicable

Explanation on changes in aspect of total shares, shareholders structures as well as structure of assets and liability of the Company

Applicable Not applicable

After the company's implementation on the plan of increasing shares by converting capital reserve to share capital, the company's total share capital was changed to 1,698,245,011 shares from 446,906,582 shares.

II. Shareholders and actual controlling shareholder

In Shares

Total number of common shareholders at the end of the reporting period		54,275		Total number of preferred shareholders that had restored the voting right at the end of the reporting period (if any) (note 8)			0	
Shareholding of shareholders holding more than 5% shares								
Shareholders	Nuture of shareholder	Proportion of shares held (%)	Number of shares held at period -end	Changes in reporting period	Amount of restricted shares held	Amount of un-restricted shares held	Number os share pledged/frozen	
							State of share	Amount
Chen Lve	Domestic Natural person	34.33%	582,944,556	429,808,094	582,109,696	834,860	Mortgage	431,760,594
Union Holdings Co., Ltd.	Domestic Non-State-owned legal person	6.79%	115,295,921	72,154,889		115,295,921		
STYLE-SUCCESS LIMITED	Foreign legal person	5.47%	92,970,910	68,504,881		92,970,910		
Shanghai Financial Development Investment Fund(LP)	Domestic Non-State-owned legal person	4.49%	76,300,504	56,221,424	76,300,504			
He Feiyan	Domestic Natural person	3.23%	54,800,458	40,379,285	54,800,458			
Jiutai Fund—Bank of Communications—Jiutai Huitong No.2 specific customer asset management plan	Other	2.50%	42,479,672	31,300,811	42,479,672			
Wuxi Hengtai	Domestic Non-	2.26%	38,330,615	28,243,611	38,330,615			

Jiuding Assets Management Centre (LP)	State-owned legal person							
Foshan Haihui Heying Venture Investment Partnership(Limited Partnership)	Domestic Non-State-owned legal person	2.25%	38,150,252	28,110,712	38,150,252			
Jiangxi Taihao Venture Investment Centre(LP)	Domestic Non-State-owned legal person	1.87%	31,791,879	23,425,595	31,791,879			
Yantai Zhaoxuan Yuan tai Jiuding Venture Investment Centre(LP)	Domestic Non-State-owned legal person	1.87%	31,742,745	23,389,391	31,742,745			
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable)See Notes 3)	None							
Explanation on associated relationship or concerted action of the above shareholders	Chen Lve and He Yanfei are consortium officers; Wuxi Hengtai Jiuding Assets Management Centre (LP) and Yantai Zhaoxuan Yuantai Jiuding Venture Investment Centre (LP) are consortium officers,The other tradable shareholders neither knew whether there exists associated relationship between them							
Shareholding of top 10 shareholders of unrestricted 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.	115,295,921	RMB Common shares	115,295,921					
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.	13,350,040	RMB Common shares	13,350,040					
Zeng Ying	6,536,000	Foreign shares placed in domestic exchange	6,536,000					
Chanan Fund—China Everbright Bank-Liu Wenjin	6,288,828	RMB Common shares	6,288,828					
KGI ASIA LIMITED	4,991,274	Foreign shares placed in domestic exchange	4,991,274					

China Galaxy International Securities (Hongkong) Co., Ltd.	3,659,829	Foreign shares placed in domestic exchange	3,659,829
Song Wenguang	3,444,966	Foreign shares placed in domestic exchange	3,444,966
Xingzheng Securities Asset Management—China Everbright Bank—No.57 collectin of assets management plan for Xingzheng Securities asset	3,166,110	RMB Common shares	3,166,110
Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders	The controlling shareholder of the above-mentioned largest shareholder Shenzhen Union Holdings Ltd. and third shareholder Rich Crown Investment Co., Ltd.. Is Union Development Group Ltd.		
Notes to the shareholders involved in financing securities (if any)(See Notes 4)	None		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

Yes No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

III. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

Applicable Not Applicable

There was no any change of the controlling shareholder of the Company in the reporting period.

Change of the actual controller in the reporting period

Applicable Not applicable

There was no any change of the actual controller of the Company in the reporting period.

IV. Particulars on shareholding increase scheme during the reporting period proposed or implemented by the shareholders and act-in-concert persons

Applicable Not applicable

Name of shareholder / Name of person acting in concert	The planned increase proportion for the stake holding	Actual increased share-holding quantity	Actual increased shareholding proportion	The initial date of disclosure of increasing share-holdings plan
Chen Lve	2.00%	422,200	0.09%	July 7, 2015

Description of other information

On July 7, 2015, the company disclosed the Announcement on Increasing Share-holding Plan by the Company's Potential Actual Controller of Chenlue. On July 7, 2015, the company received a written notice from Mr. Chenlue, who is confident in the company's future development based on the understandings of the current capital market situation and planned, by the means allowed by Shenzhen Stock Exchange((including but not limited to competitive transaction , block transaction, etc.)), to increase the share-holding of the company's A-shares and/or B-shares of no more than 2% stake of the company's total share capital which was based on the total share capital after the major assets swap and the share issuance to purchase assets. According to the relevant provisions of Measures for the Administration of the Takeover of Listed Companies, such increased stake shall not be lessened within 6 months commenced from the date of completion of the stake-holding increasing. As of July 7, 2016, Mr. Chenlue totally increased his stake-holding of 422,200 shares (Such quantity of the shares was before the implementation of 2015 annual profit distribution plan, while after the implementation of 2015 annual profit distribution plan, accordingly such quantity shall be 1,604,360 shares), which accounted for 0.094% of the company's total share capital.

VII. Situation of the Preferred Shares

Applicable Not applicable

The Company had no preferred shares in the reporting period

VIII. Information about Directors, Supervisors and Senior Executives

I. Change in shares held by directors, supervisors and senior executives

√ Applicable □ Not applicable

Name	Position	Office status	Shares held at the year-begin(share)	Amount of shares increased at the reporting period(share)	Amount of shares decreased at the reporting period(share)	Shares held at the year-ending (share)	Number of restricted stock granted at the year-begin . share)	Number of restricted stock granted at the reporting period(share)	Number of restricted stock granted at the year-ending(share)
Chen Lve	Board chairman, General Manager	In office	153,136,462	428,782,094	0	582,944,556	0	0	0
Hu Yongfeng	Director	In office	0	0	0	0	0	0	0
Li Erlong	Director, Deputy General Manager	In office	3,000	8,400	0	11,400	0	0	0
Liang Rong	Director, Deputy General Manager	In office	0	0	0	0	0	0	0
Wang Lei	Director	In office	0	0	0	0	0	0	0
Ban Bin	Director	In office	0	0	0	0	0	0	0
Tang Jianxin	Independent Director	In office	0	0	0	0	0	0	0
Zhang Yufeng	Independent Director	In office	0	0	0	0	0	0	0
Jiang Chongguang	Independent Director	In office	0	0	0	0	0	0	0
Dong Binggen	Chairman of the supervisory committee	In office	0	0	0	0	0	0	0
Huang Shengde	Supervisor	In office	0	0	0	0	0	0	0
Wu	Supervisor	In office	0	0	0	0	0	0	0

Xiaoming									
Song Chenling	Deputy General Manager	In office	0	0	0	0	0	0	0
Cui Hongli	CFO	In office	0	0	0	0	0	0	0
Yang Chunling	Secretary to the board of directors	In office	0	0	0	0	0	0	0
Total	--	--	153,139,462	428,790,494	0	582,955,956	0	0	0

II. Changes in directors, supervisors and senior management staffs

Applicable Not Applicable

Directors, supervisors and senior management staff did not change in the reporting period. For details, see the 2015 annual report.

IX. Financial Report

1. Audit report

Has this semi-annual report been audited?

Yes No

The semi-annual financial report has not been audited.

II. Financial statements

Currency unit for the statements in the notes to these financial statements:RMB

1.Consolidated Balance sheet

Prepared by : Sino Great Wall Co., Ltd.

In RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	1,114,361,163.46	695,384,561.31
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		1,102,961.04
Derivative financial assets		
Bill receivable	210,891,319.69	220,448,747.94
Account receivable	3,162,231,825.59	2,352,808,087.33

Prepayments	117,820,004.51	77,707,568.38
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	467,579,684.04	239,952,886.10
Repurchasing of financial assets		
Inventories	245,856,552.73	168,133,668.91
Assets held for sales		
Non-current asset due in 1 year	14,020,966.88	15,717,270.60
Other current asset	13,633,979.33	14,138,411.87
Total of current assets	5,346,395,496.23	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		
Long term share equity investment		
Property investment		
Fixed assets	95,739,662.33	43,846,215.63
Construction in progress	2,101,034.12	10,016,928.24
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	107,478,930.17	9,267,746.33
R & D petrol		
Goodwill	33,981,631.40	6,724,316.91
Long-germ expenses to be amortized	36,217,955.33	18,909,785.69
Differed income tax asset	59,287,367.87	47,950,278.07
Other non-current asset	100,540,012.47	95,353,390.28
Total of non-current assets	435,346,593.69	232,068,661.15
Total of assets	5,781,742,089.91	4,017,462,824.63
Current liabilities		
Short-term loans	1,786,708,647.08	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	314,222,954.89	143,410,167.17
Account payable	1,015,554,995.43	1,332,619,954.77
Advance payment	73,606,960.67	64,963,842.60
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	23,317,399.59	12,669,619.20
Tax payable	247,445,787.75	284,826,290.11
Interest payable	4,210,888.11	527,969.26
Dividend payable		
Other account payable	261,367,548.32	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	25,175,567.33	7,135,752.00
Other current liability	68,823,529.00	
Total of current liability	3,820,434,278.17	2,706,763,067.78
Non-current liabilities:		
Long-term loan	420,458,334.52	30,140,649.14
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		
Differed income		
Differed income tax liability	28,759,092.55	15,444.16
Other non-current liabilities		
Total non-current liabilities	449,217,427.07	30,156,093.30
Total of liability	4,269,651,705.24	2,736,919,161.08
Owners' equity		
Share capital	1,698,245,011.00	446,906,582.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	-1,301,706,291.22	-50,367,862.22
Less: Shares in stock		
Other comprehensive income	-132.50	

Special reserves	74,370,126.02	46,014,941.54
Surplus reserves	84,394,441.23	84,394,441.23
Common risk provision		
Undistributed profit	959,222,073.64	755,308,636.19
Total of owner's equity belong to the parent company	1,514,525,228.17	1,282,256,738.74
Minority shareholders' equity	-2,434,843.50	-1,713,075.19
Total of owners' equity	1,512,090,384.67	1,280,543,663.55
Total of liabilities and owners' equity	5,781,742,089.91	4,017,462,824.63

Legal Representative: Chen Lve

Person in charge of accounting: Cui Hongli

Accounting Dept Leader: Cui Hongli

2. Balance sheet of Parent Company

In RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	264,417,393.06	239,145,251.31
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable		
Account receivable		29,083.30
Prepayments	761,881.82	
Interest receivable		
Dividend receivable		
Other account receivable	1,304,458,764.96	
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	140,807.87	
Total of current assets	1,569,778,847.71	239,174,334.61
Non-current assets:		
Disposable financial asset		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	3,176,451,536.66	3,079,451,536.66
Property investment		

Fixed assets	5,008.00	
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	23,234,735.71	
Deferred income tax asset	382.68	382.68
Other non-current asset		
Total of non-current assets	3,199,691,663.05	3,079,451,919.34
Total of assets	4,769,470,510.76	3,318,626,253.95
Current liabilities		
Short-term loans	1,255,000,000.00	
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable		
Account payable		
Advance payment		
Employees' wage payable	1,066,439.92	
Tax payable	97,163,195.11	98,150,372.30
Interest payable	3,150,083.33	
Dividend payable		
Other account payable	721,700.86	803,339.56
Liabilities held for sales		
Non-current liability due in 1 year		
Other current liability		
Total of current liability	1,357,101,419.22	98,953,711.86
Non-current liabilities:		
Long-term loan	200,000,000.00	
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable		
Employees' wage payable		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability		

Other non-current liabilities		
Total of Non-current liabilities	200,000,000.00	
Total of liability	1,557,101,419.22	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	249,858,321.17	257,161,771.72
Total of owners' equity	3,212,369,091.54	3,219,672,542.09
Total of liabilities and owners' equity	4,769,470,510.76	3,318,626,253.95

3.Consolidated Income Statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	1,953,574,755.51	2,081,209,219.16
Incl: Business income	1,953,574,755.51	2,081,209,219.16
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	1,662,031,476.57	1,855,070,717.88
Incl: Business cost	1,460,727,131.33	1,690,684,183.21
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	9,026,652.11	44,597,636.60
Sales expense	9,259,264.24	7,502,905.30
Administrative expense	112,993,754.29	64,838,318.67
Financial expenses	70,024,674.60	17,908,021.84
Asset impairment loss	78,527,096.27	29,539,652.25
Add: Gains from change of fir value (“-”for loss)		25,148.61
Investment gain (“-”for loss)	46,868.49	

Incl: investment gains from affiliates		
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	213,063,051.16	226,163,649.89
Add : Non-operational income	29,133,269.00	379,419.84
Including: Income from disposal of non-current assets		
Less: Non business expenses	2,755,912.00	33,439.34
Incl: Loss from disposal of non-current assets		31,839.34
IV.Total profit(“-”for loss)	239,440,408.16	226,509,630.39
Less: Income tax expenses	37,862,759.83	61,167,289.27
V. Net profit	201,577,648.33	165,342,341.12
Net profit attributable to the owners of parent company	202,299,416.64	165,342,341.12
Minority shareholders’ equity	-721,768.31	
VI. Other comprehensive income	-132.50	0.00
Net of profit of other comprehensive income attributable to owners of the parent company.	-132.50	0.00
(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.	-132.50	0.00
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	-132.50	0.00
6.Other		

7.Net of profit of other comprehensive income attributable to Minority shareholders' equity	0.00	0.00
VII. Total comprehensive income	201,577,515.83	165,342,341.12
Total comprehensive income attributable to the owner of the parent company	202,299,284.14	165,342,341.12
Total comprehensive income attributable minority shareholders	-721,768.31	
VIII. Earnings per share		
(I) Basic earnings per share	0.12	0.10
(II)Diluted earnings per share	0.12	0.10

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 198,300,449.93, last period the combined party realized RMB 165,342,341.12.

Legal Representative:Chen Lve

Person in charge of accounting: Cui Hongli

Accounting Dept Leader: Cui Hongli

4. Income statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	115,940.34	1,917,380.00
Incl: Business cost	0.00	168,586.00
Business tax and surcharge		149,728.00
Sales expense		
Administrative expense	13,785,695.93	3,135,693.00
Financial expenses	19,950,608.66	-866,617.00
Asset impairment loss	-1,530.70	
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)		
Incl: investment gains from affiliates		
II. Operational profit (“-”for loss)	-33,618,833.55	-670,010.00
Add : Non-operational income	29,071,295.00	
Including: Income 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(“-”for loss)	-7,303,450.55	-670,010.00
Less: Income tax expenses		
IV. Net profit (“-”for net loss)	-7,303,450.55	-670,010.00

V.Net of profit of other comprehensive income	0.00	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		
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	-7,303,450.55	-629,926.00
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated Cash flow statement

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	805,577,789.73	878,764,409.16
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 amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Net increase of inter-bank fund received		
Net increase of trade financial asset disposal		
Net increase of repurchasing business		
Tax returned	3,004.17	
Other cash received from business operation	339,397,760.63	180,660,797.51
Sub-total of cash inflow	1,144,978,554.53	1,059,425,206.67
Cash paid for purchasing of merchandise and services	1,158,556,976.75	988,366,445.02
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	101,231,096.05	69,516,152.17
Taxes paid	86,805,215.28	53,832,357.06
Other cash paid for business activities	1,055,001,225.65	191,506,125.25
Sub-total of cash outflow from business activities	2,401,594,513.73	1,303,221,079.50
Cash flow generated by business operation, net	-1,256,615,959.20	-243,795,872.83
II.Cash flow generated by investing		
Cash received from investment retrieving	12,800,000.00	
Cash received as investment gains	146,912.79	
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	12,946,912.79	89,678.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	16,234,590.65	16,557,303.16
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units	97,000,000.00	
Other cash paid for investment activities		3,884.29
Sub-total of cash outflow due to investment activities	113,234,590.65	16,561,187.45
Net cash flow generated by investment	-100,287,677.86	-16,471,509.45
III. Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		
Cash received as loans	2,195,182,638.00	348,000,000.00
Cash received from bond placing		
Other financing –related cash received	103,516,162.13	177,282,072.41
Sub-total of cash inflow from financing activities	2,298,698,800.13	525,282,072.41
Cash to repay debts	317,642,499.29	287,031,864.55
Cash paid as dividend, profit, or interests	36,392,124.49	10,302,041.01
Incl: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	561,003,771.39	50,178,511.92
Sub-total of cash outflow due to financing activities	915,038,395.17	347,512,417.48
Net cash flow generated by financing	1,383,660,404.96	177,769,654.93
IV. Influence of exchange rate alternation on cash and cash equivalents	1,620,952.17	-41,620.57

V.Net increase of cash and cash equivalents	28,377,720.07	-82,539,347.92
Add: balance of cash and cash equivalents at the beginning of term	582,743,756.81	243,759,954.90
VI ..Balance of cash and cash equivalents at the end of term	611,121,476.88	161,220,606.98

6. Cash flow statement of the Parent Company

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	139,273.00	1,917,380.00
Tax returned		
Other cash received from business operation	578,645,723.03	2,058,967.00
Sub-total of cash inflow	578,784,996.03	3,976,347.00
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	132,268.03	781,594.00
Taxes paid	1,313,588.98	662,064.00
Other cash paid for business activities	1,893,003,110.13	3,715,030.00
Sub-total of cash outflow from business activities	1,894,448,967.14	5,158,688.00
Cash flow generated by business operation, net	-1,315,663,971.11	-1,182,341.00
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains		
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		
Sub-total of cash inflow due to investment activities		
Cash paid for construction of fixed assets, intangible assets and other long-term assets		

Cash paid as investment		
Net cash received from subsidiaries and other operational units	97,000,000.00	
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	97,000,000.00	
Net cash flow generated by investment	-97,000,000.00	
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans	1,455,000,000.00	
Cash received from bond placing		
Other financing –related cash received		
Sub-total of cash inflow from financing activities	1,455,000,000.00	
Cash to repay debts		
Cash paid as dividend, profit, or interests	17,063,887.14	
Other cash paid for financing activities	0.00	
Sub-total of cash outflow due to financing activities	17,063,887.14	
Net cash flow generated by financing	1,437,936,112.86	
IV. Influence of exchange rate alternation on cash and cash equivalents		
V.Net increase of cash and cash equivalents	25,272,141.75	-1,182,341.00
Add: balance of cash and cash equivalents at the beginning of term	239,145,251.31	8,480,977.00
VI ..Balance of cash and cash equivalents at the end of term	264,417,393.06	7,298,636.00

7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Time	Amount in this period												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
	preferred stock	Sustainable debt	Other										
I. Balance at the end of last year	446,906,582.00				-50,367,862.22			46,014,941.54	84,394,441.23		755,308,636.19	-1,713,075.19	1,280,543,663.55
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of current year	446,906,582.00				-50,367,862.22			46,014,941.54	84,394,441.23		755,308,636.19	-1,713,075.19	1,280,543,663.55
III. Changed in the current year	1,251,338,429.00				-1,251,338,429.00		-132.50	28,355,184.48			203,913,437.45	-721,768.31	231,546,721.12
(I) Total comprehensive income											202,299,416.64	-721,768.31	201,577,648.33
(II) Investment or decreasing of capital by													

owners													
1. Ordinary Shares invested by shareholders													
2. Holders of other equity instruments invested capital													
3. Amount of shares paid and accounted as owners' equity													
4. Other													
(III) Profit allotment											165,552.20		165,552.20
1.Providing of surplus reserves													
2.Providing of common risk provisions													
3. Allotment to the owners (or shareholders)													
4. Other											165,552.20		165,552.20
(IV) Internal transferring of owners' equity	1,251,338,429.00				-1,251,338,429.00								
1. Capitalizing of capital reserves (or to capital shares)	1,251,338,429.00				-1,251,338,429.00								0.00
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.													

4. Other													
(V). Special reserves							28,355,184.48						28,355,184.48
1. Provided this year							28,355,184.48						28,355,184.48
2. Used this term													
(VI) Other										1,448,468.61			
IV. Balance at the end of this term	1,698,245,011.00				-1,301,706,291.22	-132.50	74,370,126.02	84,394,441.23		959,222,073.64	-2,434,843.50		1,512,090,384.67

Amount in last year

In RMB

Items	Amount in last year												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
	preferred stock	Sustainable debt	Other										
I. Balance at the end of last year	70,136,099.00				176,467,549.00		-85.60	21,813,200.10	49,347,406.23		443,707,019.71		761,471,188.44
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the	70,136,099.00				176,467,549.00		-85.60	21,813,200.10	49,347,406.23		443,707,019.71		761,471,188.44

beginning of current year					0			0	3				4
III.Changed in the current year						50.30	-12,203,238.75				165,342,341.12		153,139,152.67
(1) Total comprehensive income													
(II) Investment or decreasing of capital by owners													
1. Ordinary Shares invested by hareholders													
2. Holders of other equity instruments invested capital													
3. Allotment to the owners (or shareholders)													
4. Other													
(III) Profit allotment						50.30					165,342,341.12		165,342,391.42
1.Providing of surplus reserves													
2.Providing of common risk provisions													
3. Allotment to the owners (or shareholders)													
4. Other						50.30					165,342,341.12		
(IV) Internal transferring of owners'													

equity													
1. Capitalizing of capital reserves (or to capital shares)													
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.													
4. Other													
(V) Special reserves								-12,203,238.75					-12,203,238.75
1. Provided this year													
2. Used this term								-12,203,238.75					
(VI) Other													
IV. Balance at the end of this term	70,136,099.00				176,467,549.00	-35.30	9,609,961.35	49,347,406.23		609,049,360.83			914,610,341.11

8. Statement of change in owner's Equity of the Parent Company

Amount in this period

In RMB

Items	Amount in this period										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferred stock	Sustainable debt	Other							
I. Balance at the end of last year	446,906,582.00				2,489,294,901.37				26,309,287.00	257,161,771.72	3,219,672,542.09

Add: Change of accounting policy											
Correcting of previous errors											
Other											
II. Balance at the beginning of current year	446,906,582.00				2,489,294,901.37				26,309,287.00	257,161,771.72	3,219,672,542.09
III. Changed in the current year	1,251,338,429.00				-1,251,338,429.00					-7,303,450.55	-7,303,450.55
(1) Total comprehensive income										-7,303,450.55	-7,303,450.55
(II) Investment or decreasing of capital by owners											
1. Ordinary Shares invested by hareholders											
2. Holders of other equity instruments invested capital											
3. Allotment to the owners (or shareholders)											
4. Other											
(III) Profit allotment											
1. Providing of surplus reserves											
2. Allotment to the owners (or shareholders)											
3. Other											
(IV) Internal transferring of owners' equity	1,251,338,429.00				-1,251,338,429.00				0.00		

1. Capitalizing of capital reserves (or to capital shares)	1,251,338,429.00				-1,251,338,429.00					0.00		
2. Capitalizing of surplus reserves (or to capital shares)												
3. Making up losses by surplus reserves.												
4. Other												
(V) Special reserves												
1. Provided this year												
2. Used this term												
(VI) Other												
IV. Balance at the end of this term	1,698,245,011.00				1,237,956,472.37					26,309,287.00	249,858,321.17	3,212,369,091.54

Amount in last year

In RMB

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Attributable profit	Total of owners' equity
preferred stock		Sustainable debt	Other								
I. Balance at the end of last year	169,142,356.00				31,606,598.00				26,309,287.00	-100,562,791.00	126,495,450.00
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II. Balance at the	169,142,356.00				31,606,598.00				26,309,287.00	-100,562,791.00	126,495,450.00

beginning of current year											
III.Changed in the current year										-629,926.00	-629,926.00
(1) Total comprehensive income										-629,926.00	-629,926.00
(II)Investment or decreasing of capital by owners											
1. Ordinary Shares invested by shareholders											
2. Holders of other equity instruments invested capital											
3. Allotment to the owners (or shareholders)											
4. Other											
(III) Profit allotment											
1.Providing of surplus reserves											
2. Allotment to the owners (or shareholders)											
3. Other											
(IV)Internal transferring of											

owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											
3. Making up losses by surplus reserves.											
4. Other											
(V) Special reserves											
1. Provided this year											
2. Used this term											
(VI) Other											
IV. Balance at the end of this term	169,142,356.00				31,606,598.00				26,309,287.00	-101,192,717.00	125,865,524.00

III. Basic Information of the Company

Sino Great Wall Co., Ltd. (hereinafter referred to as the "Company" or "Sino Great Wall") is formerly known as Shenzhen Victor Onward Textile Industrial Company Limited which is formerly known as Xinnan Printing and Dyeing Factory Co., Ltd.. Established in 1980, Xinnan Printing and Dyeing Factory Co., Ltd. is the first wholly foreign-owned enterprise in Shenzhen. In April 1984, Xinnan Printing and Dyeing Factory Co., Ltd. was changed into a foreign joint venture and was renamed Shenzhen Victor Onward Printing and Dyeing Co., Ltd.. On November 19, 1991, approved by the Government of Shenzhen City, Shenzhen Victor Onward Printing and Dyeing Co., Ltd. was restructured into a joint stock limited company and was renamed Shenzhen Victor Onward Textile Industrial Company Limited.

Domestic listed RMB ordinary shares ("A" shares; stock code: 000018) and overseas-listed foreign investment shares ("B" shares; stock code: 200018) issued by the Company were listed for trading on the Shenzhen Stock Exchange in 1992.

On July 23, 2015, approved by the China Securities Regulatory Commission under the Official Reply to Approving Shenzhen Victor Onward Textile Industrial Company Limited to Make Major Assets Restructuring and Issue Shares to Chen Lve and Other Shareholders to Purchase Assets and Raise Supporting Funds (Z.J.X.K. [2015] No.1774), the Company issued 251,849,593 shares to Chen Lve and other 167shareholders to purchase 100% of equities of Sino Great Wall International Engineering Co., Ltd. held by them and issued to them 25,914,633 non-public offering shares, which raised funds of RMB 254,999,988.72.

As at September 24, 2015, equities of the listed company were changed to be registered in the name of the Company. Both parties fully completed the transfer of equities and the relevant formalities of industrial and commercial registration of changes, so the Company already owned 100% of equities in the listed company. Meanwhile, according to the Confirmation on Delivery of Exchange-Out Assets, as at the date of delivery (namely July 31, 2015), all assets and liabilities of the Company had been exchanged out. On September 24, 2015, Shenzhen Branch of the China Securities Depository and Clearing Corporation Limited had completed the relevant securities registration formalities for the above new shares.

On July 29, 2015, the listed company received the new registered capital of RMB 251,849,593 paid by all the shareholders of Sino Great Wall. Ruihua Certified Public Accountants issued the Verification Report (R.H.Y.Z. [2015] No.48250011) on July 30, 2015. Registered capital after the change was RMB 420,991,949 and share capital RMB 420,991,949. On December 4, 2015, Shenzhen Victor Onward Textile Industrial Company Limited. was renamed Sino Great Wall Co., Ltd..

As at June 30, 2016, total share capital of the Company was 1,698,245,011 shares, in which there were 1,434,441,780 circulating A shares and 263,803,231 circulating B shares. Chen Lve who holds 582,944,556 A shares, accounting for 34.33% of the total share capital, is the Company's controlling shareholder and actual controller.

Registered address of the Company: No.26 Kuipeng Road, Baishi Gang, Kuichong Town, Longgang District, Shenzhen. Legal representative: Chen Lve. The Company falls under textile printing and dyeing industry. The Company mainly engages in dyeing and printing production, processing and sales of all kinds of pure cotton, pure linen, polyester cotton, ramie cotton, high-grade blended fabrics and finished garments.

During the reporting period, the company had completed the purchase of Wuhan Commercial & Vocational Hospital Co.,Ltd and the company shall incorporate it into the consolidated financial statements.

IV. Basis for the preparation of financial statements

1. Basis for the preparation

The company is based on continuous operation, according to the actual transactions and events, in accordance with "Accounting Standards for Enterprises - Basic Standards" issued by the Ministry of Finance and specific corporate accounting standards, corporate accounting standards application guide, explained Accounting Standards and other

her regulations (hereinafter referred to as "Enterprise Accounting Standards") are recognized and used to measure, on this basis, combined with China Securities Regulatory Commission, "public offering of securities of the Company disclosure Rule No. 15 - financial Reporting general Provisions" (2014 revised), the financial report was based on it.

2. Continuous operation.

The Company since 12 months after the reporting period does not exist on the company's continued viability of significant concern events or circumstances.

V. Significant accounting policies and accounting estimates

Specific accounting policies and accounting estimates tips:

1. Statement on the Accounting Standard Followed by the Company

The financial statements prepared by the Company comply with the requirements of corporate accounting standards. They truly and completely reflect the financial situations, operating results, equity changes and cash flow, and other relevant information of the company.

2. Fiscal Year

The Company adopts the Gregorian calendar year commencing on January 1 and ending on December 31 as the fiscal year.

The reporting period is from January 1, 2016 to June 30, 2016.

3. Operating cycle

The Company has an operating cycle of 12 months.

4. Functional currency

RMB is the currency of the Company and domestic subsidiaries in the primary economic environment. The functional currency of the Company and domestic subsidiaries is RMB. Currency of the Company in preparing its financial statements is RMB.

5. Accounting treatment methods of business combinations under common control and not under common control

Business combinations under common control: The assets and liabilities acquired by the Company in business combinations are measured at the book value of assets and liabilities of the combinee (including the goodwill arising from the acquisition of the combinee by the ultimate controller) in the consolidated financial statements of the ultimate controller on the combination date. The stock premium in the capital reserves should be adjusted at the difference between the book value of the net assets acquired in combinations and that of consideration paid for the combination (or total par value of shares issued). If the stock premium in the capital reserves is insufficient to cover the differences, the retained earnings should be adjusted.

Business combinations not under common control: The Company shall, on the acquisition date, measure the assets surrendered and liabilities incurred or assumed by the Company for a business combination at their fair values. The Company shall recognize the difference of the combination costs in excess of the fair value of the identifiable net assets acquired from the acquiree as goodwill. The Company shall recognize the difference of the combination costs in short of the fair value of the identifiable net assets acquired from the acquiree in the current profit and loss after review.

Intermediary service charges such as audit fee, legal service fee, appraisal and consultancy fee paid for business combinations and other directly relevant expenses are included in the current profit and loss when incurred; the transaction costs for the issuance of equity securities for business combinations shall be used to offset equities.

6. Preparation method for consolidated financial statements

1. Scope of consolidation

The scope of consolidation of the consolidated financial statements of the Company is recognized based on the control and all subsidiaries (including the divisible part of the investee controlled by the Company) shall be included in the consolidated financial statements.

2. Procedures for consolidation

The Company prepares the consolidated financial statements based on its own financial statements and those of its subsidiaries according to other relevant information. When the Company prepares its consolidated financial statements, it shall regard the whole enterprise group as an accounting entity to reflect the overall financial position, operating results and cash flows of the enterprise group according to the requirements for recognition, measurement and presentation of the relevant accounting standards for business enterprises and the unified accounting policies.

Accounting policies and accounting periods adopted by all subsidiaries included in the scope of consolidation of the consolidated financial statements shall be consistent with those of the Company. If accounting policies and accounting periods adopted by the subsidiaries are inconsistent with those of the Company, in the preparation of the consolidated financial statements, necessary adjustments shall be made according to the accounting policies and accounting periods of the Company. For the subsidiaries acquired through business combination not under common control, adjustments to their financial statements shall be made based on the fair values of net identifiable assets on the acquisition date. For the subsidiaries acquired through business combination under common control, adjustments to their financial statements shall be made based on the fair values of their assets and liabilities (including goodwill from acquisition of the subsidiaries by the ultimate controller) in the financial statements of the ultimate controller.

The share of owner's equity, net profits and losses in the current year and comprehensive income in the current year of subsidiaries attributable to minority shareholders should be separately presented under the item "owner's equity" in the consolidated balance sheet, the item "net profit" and the item "total comprehensive income" in the consolidated income statement. The difference of the loss in the current year shared by minority shareholders of the subsidiaries in excess of the share of minority shareholders in the owner's equity at the beginning of the year of the subsidiaries should be used to offset the minority equity.

(1) Increase in subsidiaries or business

During the reporting period, if the Company increased subsidiaries or business from business combinations under common control, the beginning balance of the consolidated balance sheet shall be adjusted; the incomes, expenses and profits from the beginning of the current year of the combinations of the subsidiaries or business to the end of the reporting period shall be included in the consolidated income statement; cash flows from the beginning of the current year of the combinations of the subsidiaries or business to the end of the reporting period shall be included in the consolidated statement of cash flows. Relevant items in the comparative financial statements of the subsidiaries shall be adjusted accordingly, as if the reporting entity after the business combination exists when the ultimate controller starts its control.

Where the Company can control the investee under common control due to additional investments and other reasons, adjustments shall be made as if parties involved in the combination have existed in the current state when the ultimate controller start its control. Equity investments held before the Company controls the combinee, and the relevant profit and loss, other comprehensive income and other changes in net assets that are recognized from the later of the date when the Company obtains the original equity and the date when the combiner and the combinee are under common control to the combination date, shall be used to offset the retained earnings at the beginning of the year or the current profit and loss during the period of the comparative statements.

During the reporting period, if the Company increased subsidiaries or business from business combinations not under common control, the beginning balance in the consolidated balance sheet shall not be adjusted; the incomes, expenses and profits of the subsidiaries or business from the acquisition date to the end of the reporting period shall be included in the consolidated income statement; cash flows of the subsidiaries and business from the acquisition date to the end of the reporting period shall be included in the consolidated statement of cash flows.

Where the Company can implement control over an investee not under common control due to additional investment or other reasons, the equity held by the combinee before the purchase date is remeasured at the fair value on the purchase date of the equity, and the difference between the fair value and the book value shall be included in the current investment income. In the event that the equity of the acquiree held prior to the acquisition date involves changes to other comprehensive income under the equity method and other changes to owners' equity except for net profit and loss, other comprehensive income and profit distribution, other comprehensive income and other changes in the owner's equity associated therewith are transferred to investment income of the period to which the acquisition date belong, except for other comprehensive income arising from changes in net liabilities or net assets due to the re-measurement of defined benefits plan by the investee.

(2) Disposal of subsidiaries or business

A. General method of disposal

During the reporting period, if the Company disposes subsidiaries or business, the incomes, expenses and profits from the subsidiaries or business from the beginning of the year to the disposal date shall be included in the consolidated income statement; cash flows of the subsidiaries and business from the beginning of the year to the

disposal date shall be included in the consolidated statement of cash flows.

The difference of total amount of the consideration from disposal of equities plus the fair value of the remaining equities less the shares calculated at the original shareholding ratio in net assets and goodwill of the original subsidiary which are continuously calculated as of the acquisition date or combination date is included in the investment income of the period at the loss of control. Other comprehensive incomes associated with the equity investments of the original subsidiary, or the changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution, are transferred into investment income of the period when control is lost, except for other comprehensive income from the change in net liability or net asset due to the investor's re-measurement of designated benefit plan.

B .Disposal of subsidiaries by stages

Where the Company disposes the equity investments in subsidiary through multiple transactions and by stages until it loses the control, if the effect of the disposal on the terms and conditions of all transactions of equity investments in subsidiary and economic effect meet one or more of the following circumstance, it usually indicates that the multiple transactions should be accounted for as a package deal:

- i. The transactions are concluded at the same time or under the consideration of mutual effect;
- ii. The transactions as a whole can reach a complete business result;
- iii. The occurrence of a transaction depends on that of at least one other transactions; and/or
- iv. A single transaction is uneconomical but it is economical when considered together with other transactions.

Where various transactions of disposal of equity investments in subsidiaries until loss of the control belong to a package deal, accounting treatment shall be made by the Company on the transactions as a transaction to dispose subsidiaries and lose the control; however, the difference between each disposal cost and net asset share in the subsidiaries corresponding to each disposal of investments before loss of the control should be recognized as other comprehensive income in the consolidated financial statements and should be transferred into the current profit or loss at the loss of the control.

Where various transactions of disposal of equity investments in subsidiaries until loss of the control do not belong to a package deal, before the loss of the control, accounting treatment shall be made according to the relevant policies for partial disposal of equity investments in the subsidiary without losing control; at the loss of the control, accounting treatment shall be made according to general treatment methods for disposal of subsidiaries.

(3) Purchase of minority equity of subsidiaries

The difference between long-term equity investments acquired by the Company through purchase of minority interest and the subsidiary's identifiable net assets attributable to the Company calculated continuously from the acquisition date (or the combination date) in accordance with the increased shareholding ratio shall be charged against stock premium within capital reserves in the consolidated balance sheet; when stock premium within capital reserves is insufficient to offset, the retained earnings shall be adjusted.

(4) Partial disposal of long-term equity investments in subsidiaries without losing control

The difference between the proceeds from partial disposal of equity investments in the subsidiary and the share of identifiable net assets of the subsidiary attributable to the Company which are calculated continuously from the acquisition date (or the combination date) and which are corresponding to the disposal of long-term equity investments without losing control shall be charged against stock premium within capital reserves in the consolidated balance sheet; when stock premium within capital reserves is insufficient to offset, the retained earnings shall be adjusted.

7. Joint venture arrangements classification and Co-operation accounting treatment

8..Recognition Standard of Cash & Cash Equivalents

The company recognizes its cash in vault & the deposits that are ready for payment at any time as cash when preparing the cash flow statement.which are featured with short term (expire within 3 months since purchased), high liquidity, easy to convert to know cash, low in risk of value change, could be recognized as cash equivalents.

9. Foreign currency transactions and translation of foreign currency statements

1.Foreign currency transactions

Foreign currency transactions are translated into functional currency at the approximate rate of spot exchange rate on the day when the transactions occur.

The balance of foreign currency monetary items as at the balance sheet date are translated at the spot exchange rate on the balance sheet date and the exchange differences arising therefrom shall be included in

the current profit and loss, except those exchange differences arising from the special borrowings of foreign currency related to the acquired and constructed assets qualified for capitalization that will be capitalized at the borrowing expenses.

2. Translation of foreign currency statements

Assets and liabilities in the balance sheet are translated at the spot exchange rates on balance sheet date; owners' equity items, except for the item of "undistributed profits", are translated at the spot exchange rates on the dates when the transactions occur. The income and expenses items in income statements are translated at the approximate rate of spot exchange rate prevailing on the date when transactions occur.

Where the Company disposes of an overseas business, it shall transfer the exchange difference relating to the overseas business to the current profit and loss.

10. Financial instruments

Financial instruments include financial assets, financial liabilities and equity instruments.

1. Classification of financial instruments

At the initial recognition, financial assets and financial liabilities are classified as: financial assets or financial liabilities measured at fair value through current profit and loss, including financial assets or financial liabilities held for trading (and financial assets or financial liabilities directly designated to be measured at fair value through current profit and loss); held-to-maturity investments; receivables; available-for-sale financial assets; and other financial liabilities, etc.

2. Recognition basis and measurement method of financial instruments

(1) Financial assets (financial liabilities) measured at fair value through current profit and loss

Financial assets (financial liabilities) measured at fair value through current profit and loss are initially recognized at the fair value upon acquisition (net of cash dividends declared but not yet paid or bond interest due but not yet received) and the related transaction costs are included in current profit and loss.

The interest or cash dividends to be received during the holding period is or are recognized as investment income. Change in fair values is included in the current profit and loss at the end of the period.

Difference between the fair value and initial book-entry value is recognized as investment income upon disposal; meanwhile, adjustment is made to gains or losses from changes in fair values.

(2) Held-to-maturity investments

Held-to-maturity investments are initially recognized at the sum of the fair value (net of bond interest due but not yet received) and related transaction costs upon acquisition.

The interest income will be calculated and determined according to the amortized cost and effective interest rate during the holding period and included in investment income. The effective interest rates are determined upon acquisition and remain unchanged during the expected remaining period, or a shorter period if applicable.

Upon disposal, the difference between the purchase price obtained and the book value of the investment is recognized in investment income.

(3) Receivables

For creditor's rights receivable arising from external sales of goods or rendering of service by the Company and other creditor's rights of other enterprises (excluding liability instruments quoted in an active market) held by the Company, including accounts receivable and other receivables, the initial recognition amount shall be the contract price or agreement price receivable from purchasing party. Receivables with financing nature are initially recognized at their present values.

Upon recovery or disposal, the difference between the purchase price obtained and the book value of the receivables is recognized in current profit and loss.

(4) Available-for-sale financial assets

Financial assets (financial liabilities) measured at fair value through current profit and loss are initially recognized at the fair value and related transaction expenses upon acquisition (net of cash dividends declared but not yet paid or bond interest due but not yet received).

The interest or cash dividends to be received during the holding period is or are recognized as investment income. The interest or cash dividends should be measured at fair value and their changes in fair value should be included in other comprehensive income. However, for an equity instrument investment that has no quoted price in an active market and whose fair value cannot be reliably measured, and for derivative financial asset linked to the said equity instrument investment and settled by delivery of the same equity instrument, they shall be measured at cost.

Difference between the proceeds and the book value of the financial assets is recognized as investment income upon disposal; meanwhile, amount of disposal corresponding to the accumulated change in fair value which is originally and directly included in other comprehensive income shall be transferred out and recognized as the current profit and loss.

(5) Other financial liabilities

They are initially recognized at the sum of the fair value and the associated transaction costs. Other financial liabilities are subsequently measured at amortized cost.

3. Recognition and measurement of transfer of financial assets

When a financial assets transfer occurs, the financial assets will be derecognized when substantially all the risks and rewards on the ownership of the financial assets have been transferred to the transferee; and they will not be derecognized if substantially all the risks and rewards on the ownership of the financial assets have been retained.

The principle of substance over form is adopted to determine whether a financial asset meets the above de-recognition conditions for the financial asset. The transfer of a financial asset of the Company is classified into the entire transfer and the partial transfer of financial asset. Where the entire transfer of the financial asset meets the de-recognition conditions, the difference of the following two amounts will be included in current profit and loss:

- (1) The book value of the transferred financial asset;
- (2) The sum of the consideration received from the transfer and the accumulated amount of the changes in fair value originally and directly included in owners' equity (the situation where the financial asset transferred is an available-for-sale financial asset is involved in).

If the partial transfer of financial asset satisfies the criteria for derecognition, the entire book value of the transferred financial asset shall be split into the derecognized and recognized part according to their respective fair value and the difference between the amounts of the following two items shall be included in the current profit and loss:

- (1) The book value of derecognized part;
- (2) The sum of the consideration for the derecognized part and the portion of de-recognition corresponding to the accumulated amount of the changes in fair value originally and directly included in owners' equity (the situation where the financial asset transferred is an available-for-sale financial asset is involved in).

If the transfer of a financial asset does not meet the derecognition criteria, the financial asset shall continue to be recognized, and the consideration received will be recognized as a financial liability.

4 .Derecognition criteria of financial liabilities

Where the present obligations of financial liabilities have been discharged in whole or in part, the financial liability is derecognized or any part thereof will be derecognized; if the Company signs an agreement with creditors to replace the existing financial liabilities by undertaking new financial liabilities, and the new financial liabilities are substantially different from the existing ones in terms of contract terms, the existing financial liabilities will be derecognized, and at the same time, the new financial liability will be recognized.

Where substantial revisions are made to some or all of the contractual stipulations of the existing financial liability, the Company shall derecognize the existing financial liability wholly or partly, and at the same time recognize the financial liability with revised contractual stipulations as a new financial liability.

Upon whole or partial derecognition of financial liabilities, the difference between the book value of the financial liabilities derecognized and the consideration paid (including non-cash assets surrendered or new financial liabilities assumed) shall be included in the current profit and loss.

Where the Company repurchases part of a financial liability, the entire book value of the financial liability shall be split into the derecognized part and continuously-recognized part according to their respective fair value on the repurchase date. The difference between the book value allocated to the derecognized part and the considerations paid (including non-cash assets surrendered and the new financial liabilities assumed) shall be included in the current profit and loss.

5 .Recognition method of fair value of financial assets and financial liabilities

Where there is an active market for financial instruments, the fair values shall be recognized at quoted prices in the active market. Where there is no active market, the fair values shall be recognized with valuation techniques. At the time of valuation, the Company adopts the techniques that are applicable in the current situation and supported by enough available data and other information, selects the input values consistent with the features of assets or liabilities considered by market participants in relevant asset or liability transactions, and gives priority to using relevant observable inputs. Unobservable inputs are used only under the circumstance when it is impossible or unobservable inputs to obtain relevant observable inputs.

6. Test method and accounting treatment of depreciation of financial assets (excluding receivables)

Except for the financial assets measured at fair values through current profit and loss, the book value of financial assets on the balance sheet date should be checked. If there is objective evidence that a financial asset is impaired, provision for impairment shall be made.

- (1) Provision for impairment of available-for-sale financial assets:

If the fair value of available-for-sale financial assets has significantly declined at the end of the period, or it is

expected that the trend of decrease in value is non-temporary after considering of various relevant factors, the impairment shall be recognized, and accumulated losses from decreases in fair value originally and directly included in owners' equity shall be all transferred out and recognized as impairment loss.

For available-for-sale debt instruments whose impairment losses have been recognized, if their fair values rise in the subsequent accounting period and such rise is objectively related to the matters occurring after the recognition of impairment loss, the previously recognized impairment loss shall be reversed and recorded into the current profit and loss.

Impairment losses on available-for-sale equity instruments should not be reversed through profit and loss.

(2) Provision for impairment of held-to-maturity investments:

Measurement of provision for impairment loss on held-to-maturity investments is treated in accordance with the measurement method of impairment loss on accounts receivable.

11. Accounts receivable

(1) Accounts receivable with material specific amount and specific provisioned bad debt preparation.

Judgment criteria or amount standard of material specific amount or amount criteria	The Company recognizes account receivables that are individually significant (more than or equal to RMB 10 million) and other receivables of a single current entities (more than or equal to RMB 2 million) as individually significant receivables.
Provision method with material specific amount and provision of specific bad debt preparation	On the balance sheet date, the Company separately conducts an impairment test on accounts receivable that are individually significant. Where they are impaired after such test, the impairment loss is recognized at the difference between the present value of its future cash flows lower than the book value and the provision for bad debts shall be made; accounts receivable that are not impaired after the separate test, together with accounts receivable that are individually insignificant, are divided into several portfolios according to similar credit risk features. The impairment loss is calculated and recognized at a certain percentage of these portfolios of accounts receivable in the balance on the balance sheet date and the provision for bad debts shall be made.

(2)The accounts receivable of bad debt provisions made by credit risk Group

Name	Method for recognition of impairment allowances
Group of account age	The age analysis

Accounts on age basis in the portfolio:

applicable not applicable

Age	Rate for receivables(%)	Rate for other receivables(%)
Within 1 year (Included 1 year)	5.00%	5.00%
1—2 years	10.00%	10.00%
2—3 years	30.00%	30.00%
3—4 years	50.00%	50.00%
4—5 years	80.00%	80.00%
Over 5 years	100.00%	100.00%

Accounts on percentage basis in group:

applicable not applicable

Accounts on other basis in group:

applicable not applicable

(3) Account receivable with non-material specific amount but specific bad debt preparation

Reason of specific bad debt preparation provision:	On the balance sheet date, the Company recognizes impairment losses and makes provision for bad debts of other individually significant receivables with signs of impairment at the differences of the present values of their future cash flows in short of their book values.
Provision method of bad debt preparation	On the balance sheet date, the Company separately conducts an impairment test on accounts receivable that are individually insignificant but are provided for bad debts on individual basis. Where they are impaired after such test, the impairment losses are recognized at the difference between the present value of future cash flows lower than the book value and the provision for bad debts shall be accordingly made;

12. Inventories

1. Classification of inventories

Inventories are classified into: raw materials and engineering construction, etc..

2. Valuation method of inventories dispatched

The inventories are measured at weighted average method when dispatched.

3. Recognition basis for net realizable values of inventories of different categories

Net realizable values of merchandise inventories held directly for sale, such as finished goods, stock commodities, and available-for-sale materials, are measured at the estimated selling prices less estimated sales expenses and relevant taxes and surcharges in the normal production process. Net realizable values of material inventories which need further processing are measured at the estimated selling prices less the estimated costs of completion, estimated sales expenses and relevant taxes and surcharges in the normal production process. Net realizable values of inventories held for the purpose of fulfillment of sales contracts or service contracts are calculated on the basis of the contract prices; if the quantity of inventories held exceeds that stated in the contract, the net realizable values of the excessive part are calculated on the basis of normal selling prices.

The provisions for inventory depreciation reserve are made on an individual basis at the end of the period, for inventories with large quantities and relatively low unit prices, the provisions for inventory depreciation reserve are made on a category basis. For inventories related to the product portfolios manufactured and sold in the same area, and of which the final usage or purpose is identical or similar thereto, and which is difficult to be separated from other items for measurement purposes, the provisions for inventory depreciation reserve are made on a portfolio basis.

Except that there is clear evidence that the market price is abnormal on the balance sheet date, the net realizable value of inventory items shall be recognized at the market price on the balance sheet date.

Net realizable value of inventory items at the end of the year is recognized at the market price on the balance sheet date.

4. Inventory system

Perpetual inventory system is adopted.

5. Amortization methods for low-cost consumables and packaging materials

- (1) One-off amortization method is adopted for low-cost consumables;
- (2) One-off amortization method is adopted for packaging materials.

13. Classified as the assets held for sale

1. Recognition criteria for the classification of the assets held for sale

The company will recognize the combination parts of the enterprise (or non-current assets) which simultaneously meet the following requirements, as the components of the assets held for sale.

- (1) The components should be immediately sold under the current condition only according to the usual terms of the parts sold.
- (2) The enterprise has made resolution for the disposal of the components, the approval of shareholders' meeting or relevant authority agency if the shareholder's approval is requested by the rules.
- (3) The enterprise has signed the irrevocable transfer agreement with the transferee.
- (4) The transfer shall be completed within one year.

14. Long-term equity investment

1. Standards for joint control and significant influence

The term 'common control' refers to the joint control, according to the relevant provisions, over an arrangement, of which the relevant activities should be agreed and decided by the participants that share the control. Where the Company and other investors exert common joint control over the investee and the Company is entitled to net assets of the investee, the investee is the joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of an enterprise, but not the power to control, or jointly control, the formulation of such policies with other parties. Where the Company is able to exert significant influence over the investee, the investee is its associate.

2. Recognition of initial investment costs

(1) Long-term equity investments acquired from business combination

Business combination under the same control: if the Company makes payment in cash, transfers non-cash assets or bears debts and issues equity securities as the consideration for the business combination, the book value of the owner's equity of the acquiree in the consolidated financial statements of the ultimate controller is recognized as the initial cost of the long-term equity investment on the combination date. In case the Company can exercise control over the investee under common control for additional investment or other reasons, the initial investment cost of long-term equity investments is recognized at the share of book value of net asset of the acquiree after the combination in the consolidated financial statements of the ultimate controller on the combination date. The stock premium should be adjusted at the difference between the initial investment cost of long-term equity investments on the combination date and the book value of long-term equity investments before the combination plus the book value of consideration paid for additional shares; if there is no sufficient stock premium for write-downs, the retained earnings are adjusted.

Business combination not under common control: The Company recognizes the combination cost determined on the combination date as the initial cost of long-term equity investments. Where the Company can control the investee not under common control from additional investments, the initial investment cost should be changed to be accounted for under the cost method and recognized at the sum of the book value of equity investments originally held and newly increased investment cost.

(2) Long-term equity investment acquired by other means

For a long-term equity investment acquired through making payments in cash, its initial cost is the actually paid purchase cost.

For a long-term equity investment acquired from issuance of equity securities, its initial cost is the fair value of the issued equity securities.

If the exchange of non-monetary assets has commercial substance and the fair values of assets traded out and traded in can be measured reliably, the initial cost of long-term equity investment traded in with non-monetary assets are determined based on the fair values of the assets traded out and the relevant taxes and surcharges payable unless there is any conclusive evidence that the fair values of the assets traded in are more reliable; if the exchange of non-monetary assets does not meet the above criteria, the book value of the assets traded out and the relevant taxes and surcharges payable are recognized as the initial cost of long-term equity investment traded in.

For a long-term equity investment acquired from debt restructuring, its initial cost is determined based on the fair value.

3. Subsequent measurement and recognition of gains and losses

(1) Long-term equity investments accounted for under the cost method

Long-term equity investments in subsidiaries are accounted for under the cost method. Except for the actual price paid for acquisition of investment or the cash dividends or profits contained in the consideration which have been declared but not yet distributed, the Company recognizes the investment income in the current year at the cash dividends or profits declared by the investee.

(2) Long-term equity investments accounted for under the equity method

Long-term equity investments in associates and joint ventures are accounted for under the equity method. If the cost of initial investment is in excess of the proportion of the fair value of the net identifiable assets in the investee when the investment is made, the difference will not be adjusted to the initial cost of the long-term equity investments; if the cost of initial investment is in short of the proportion of the fair value of the net identifiable assets in the investee when the investment is made, the difference will be included in the current profit and loss.

The Company shall recognize the investment income and other comprehensive income at the shares of net profit and loss and other comprehensive income realized by the investee which the Company shall enjoy or bear and adjust the book value of long-term equity investments at the same time; the Company shall calculate the shares according to profits or cash dividends declared by the investee and correspondingly reduce the book value of long-term equity investments; the book value of long-term equity investments shall be adjusted according to the investee's other changes in owner's equity other than net profit and loss, other comprehensive income and profit distribution, which should be included in owner's equity.

The share of the investee's net profit or loss should be recognized after adjustments are made to net profit of the investee based on the fair value of identifiable net assets of the investee upon acquisition of investments and according to accounting policies and accounting period of the Company. When holding the investment, the investee should prepare the consolidated financial statements, it shall account for the investment income based on the net profit, other comprehensive income and the changes in other owner's equity attributable to the investee.

The Company shall write off the part of incomes from internal unrealized transactions between the Company and associates and joint ventures which are attributable to the Company according to the corresponding ratio and recognize the profit and loss on investments on such basis. Where the losses from internal transactions between the Company and the investee fall into the scope of assets impairment loss, the full amount of such losses should be recognized. For transactions on investments or sales of assets between the Company and associates and joint ventures, where such assets constitute business, they should be accounted for according to the relevant policies disclosed in this note "Accounting treatment of business combinations under common control and not under common control" and "Preparation of consolidated financial statements".

When the Company recognizes its share of loss incurred to the investee, treatment shall be done in following sequence: firstly, the book value of the long-term equity investment shall be reduced. Secondly, where the book value thereof is insufficient to cover the share of losses, investment losses are recognized to the extent of book value of other long-term equities which form net investment in the investee in substance and the book value of long term receivables shall be reduced. Finally, after all the above treatments, if the Company is still responsible for any additional liability in accordance with the provisions stipulated in the investment contracts or agreements, provisions are recognized and included into current investment loss according to the obligations estimated to undertake.

(3) Disposal of long-term equity investments

For disposal of long-term equity investments, the difference between the book value and the actual price shall be included in the current investment income.

For long-term equity investments accounted for under the equity method, when the Company disposes such investments, accounting treatment should be made to the part that is originally included in other comprehensive income according to the corresponding proportion by using the same basis for the investee to directly dispose the relevant assets or liabilities. Owner's equity recognized at the changes in the investee's other owner's equity other than net profit or loss, other comprehensive income and profit distribution shall be transferred to the current profit and loss according to the proportion, except for other comprehensive income from changes arising from re-measurement of net liabilities or net assets of defined benefit plan.

In case the joint control or significant influence over the investee is lost for disposing part of equity investments or other reasons, the remaining equity will be changed to be accounted for according to the recognition and measurement principles of financial instruments. The difference between the fair value and the book value on the date of the loss of joint control or significant influence should be included in the current profit and loss. For other comprehensive income recognized from accounting of the original equity investments under the equity method, accounting treatment should be made by using the same basis for the investee to directly dispose the relevant assets or liabilities when the equity method is no longer adopted. Owner's equity recognized from the investee's changes in other owner's equity other than net profit or loss, other comprehensive income and profit distribution should all transferred to the current profit and loss when the equity method confirmed is no longer adopted.

Where the Company loses the control over the investee due to disposal of partial equity investments or other reasons, when it prepares individual financial statements, if the remaining equity after disposal can exercise joint

control or significant influence on the investee, such investments should be changed to be accounted for under the equity method and the remaining equity should be deemed to have been adjusted on acquisition, namely when the equity method is adopted for accounting; if the remaining equity after disposal can exercise joint control or significant influence on the investee, such equity will be changed to be accounted for according to recognition and measurement standards of financial instruments and the difference between fair value and book value on the date of loss of the control or significant influence should be included in the current profit and loss.

Where equity after the disposal is acquired from business combinations due to additional investments or other reasons, when the Company prepares individual financial statements, if the remaining equity after the disposal is accounted for under the cost method or equity method, other comprehensive income and other owners' equity recognized from equity investments that are held before the acquisition date and are accounted for under the equity method should be carried forward in proportion; if the remaining equity after the disposal is changed to be accounted for according to recognition and measurement standards of financial instruments, other comprehensive income and other owners' equity should be carried forward at full amount.

15. Investment real estate

The measurement mode of investment property

Not applicable

16. Fixed assets

(1) Confirmation conditions

Fixed assets refer to physical assets owned for purpose of production, service providing, leasing or management, and operation with service life of more than one year. Fixed assets are recognized when all of the following conditions are satisfied: (1) Financial benefits attached to the fixed asset is possibly inflowing to the Company; (2) The cost of the fixed asset can be reliably measured.

(2) Depreciation method

Type	Depreciation method	Expected useful life (Year)	Estimated residual value rate	Annual depreciation rate (%)
House and Building	Straight-line method	20	5	4.75
Machinery and equipment	Straight-line method	10	5	9.5
Transportation equipment	Straight-line method	7	5	13.57
Electronic equipment and other equipment	Straight-line method	3-5	5	19.00-31.67

(3) Cognizance evidence and pricing method of financial leasing fixed assets

The fixed assets acquired under financing lease are recognized if one of the following conditions is specified by the Company and the leaser in their lease agreement:

- (1) Upon the expiration of the lease term, the ownership of the leased asset has been transferred to the Company;
- (2) The Company has the option to purchase the asset and the purchase price is far lower than the asset's fair value at the time of the option being exercised;
- (3) The lease term covers the most of the useful life of the leased asset;
- (4) The present value of the minimum payment by the Company on the lease commencement date is almost equal to the asset's fair value.

On the lease commencement date, the book entry value of a fixed asset acquired under financing lease is measured at the asset's fair value or the present value of the minimum lease payment, whichever is the lower. The minimum lease payment is recorded as the book entry value of the long-term payables, and the difference between them is deemed as the unrecognized financing expenses.

17. Construction in process

Projects under construction are recorded as fixed assets at necessary expenditures incurred before preparing the asset to reach the condition for its intended use. For construction in progress that has reached working condition for intended use but for which the completion of settlement has not been handled, it shall be transferred into fixed assets at the estimated value according to the project budget, construction price or actual cost, etc. from the date when it reaches the working condition for intended use and the fixed assets shall be depreciated in accordance with the Company's policy for fixed asset depreciation; adjustment shall be made to the estimated value based on the actual cost after the completion of settlement is handled, but depreciation already provided for will not be adjusted.

18. Borrowing costs

1. Recognition principles of capitalization of borrowing costs

Borrowing costs include the interest of borrowings, the amortization of discount or premium, auxiliary expenses, exchange differences incurred by foreign currency borrowings, etc.

The borrowing costs incurred to the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalization should be capitalized and recorded into asset costs; other borrowing costs should be recognized as costs according to the amount incurred and be included into current profit and loss.

Assets eligible for capitalization refer to fixed assets, investment property, inventories and other assets which may reach their intended use or sale status only after long-time acquisition and construction or production activities.

Borrowing costs may be capitalized only when all the following conditions are met at the same time:

- (1) Asset disbursements, which include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization, have already been incurred;
- (2) Borrowing costs have already been incurred;
- (3) The acquisition and construction or production activities which are necessary to prepare the assets for their intended use or sale have already been started.

2. Capitalization period of borrowing costs

Capitalization period refers to the period from commencement of capitalization of borrowing costs to its cessation; period of suspension for capitalization is excluded.

Capitalization of borrowing costs should cease when the acquired and constructed or produced assets eligible for capitalization have reached the working condition for their intended use or sale.

When some projects among the acquired and constructed or produced assets eligible for capitalization are completed and can be used separately, the capitalization of borrowing costs of such projects should be ceased.

If all parts of the acquired and constructed or produced assets are completed but the assets cannot be used or sold externally until overall completion, the capitalization of borrowing costs should be ceased at the time of overall completion of the said assets.

3. Period of capitalization suspension

If the acquisition and construction or production activities of assets eligible for capitalization are abnormally interrupted and such condition lasts for more than three months, the capitalization of borrowing costs should be suspended; if the interruption is necessary procedures for the acquired, constructed or produced assets eligible for capitalization to reach the working conditions for its intended use or sale, the borrowing costs continue to be capitalized. Borrowing costs incurred during the interruption are recognized as the current profit and loss and continue to be capitalized until the acquisition, construction or production of the asset restarts.

4. Measurement of capitalization rate and capitalized amounts of borrowing costs

As for special borrowings borrowed for acquiring and constructing or producing assets eligible for capitalization, borrowing costs of special borrowing actually incurred in the current period less the interest income of the borrowings unused and deposited in bank or return on temporary investment should be recognized as the capitalization amount of borrowing costs.

As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the interest of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the capitalization rate of used general borrowings. The capitalization rate is calculated by weighted average interest rate of general borrowings.

19. Biological Assets

None

20. Oil & gas assets

None

21. Intangible assets

(1) Valuation method, service life and impairment test

1. Measurement method of intangible assets

(1) The Company initially measures intangible assets at cost on acquisition;

The cost of an externally acquired intangible asset comprises its purchase price, related taxes and surcharges and any other directly attributable expenditure of preparing the asset for its intended use. If the deferred payment of purchase price of intangible assets exceeding normal credit terms is substantially of financial nature, the cost of intangible assets should be determined at the present value of the purchase price.

The intangible assets acquired and used by the debtor to repay debt in debt restructuring should be recorded at the fair value of the intangible assets. The difference between the book value of restructured debts and the fair value of intangible assets used to repay debt should be included in the current profit and loss.

On the premise that non-monetary assets trade is of commercial nature and the fair value of the assets traded in or out can be measured reliably, the intangible assets traded in with non-monetary assets should be recognized at the fair value of the assets traded out, unless any unambiguous evidence indicates that the fair value of the assets traded in is more reliable; as to the non-monetary assets trade not meeting the aforesaid premise, the book value of the assets traded out and related taxes and surcharges payable should be recognized as the cost of the intangible assets, with gains or losses not recognized.

(2) Subsequent measurement

The useful lives of intangible assets are analyzed on acquisition.

For intangible assets with definite useful lives, the Company shall adopt the straight-line method for amortization within the period during which they can bring economic benefits to the Company; where the period during which they can bring economic benefits to the Company cannot be forecast, those intangible assets shall be deemed as assets with indefinite lives and no amortization will be made.

2. Estimate of useful life of intangible assets with limited useful life:

Item	Estimated useful lives	Basis
Land use right	50 years	Land use certificate
software	5 years	By reference to the same industry

The useful life and amortization method of intangible assets with limited useful lives should be reviewed.

After review, the useful life of intangible assets and amortization method at the end of the year are not different from previous estimates.

3. Specific criteria for classification of research phase and development phase

Research phase: the phase for the creative and planned investigation and research to acquire and understand new scientific or technological knowledge.

Development stage: the phase for the application of research achievements and other knowledge to a certain plan or design, prior to the commercial production or use, so as to produce any new material, device or product, or substantially improved material, device and product.

Expenditure of an internal research and development project on the research phase shall be included in current profit and loss when it occurs.

4. Specific criteria for capitalization of expenditures at the development phase

Expenditure on the development phase of an internal research and development project shall be recognized as intangible assets only when the following conditions are simultaneously satisfied:

- (1) It is feasible technically to finish intangible assets for use or sale;
- (2) It is intended to finish and use or sell the intangible asset;
- (3) The ways whereby the intangible asset is to generate economic benefits, including those whereby it is able to prove that there is a potential market for the products manufactured by applying this intangible asset or that there is a potential market for the intangible asset itself; if the intangible asset will be used internally, its usefulness shall be proved;
- (4) It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and
- (5) The expenditure attributable to the intangible asset during its development phase can be measured reliably.

22. Impairment of long-term assets

For the long-term equity investments, investment property, fixed assets, construction in progress, intangible assets, and other long-term assets measured at cost model, if there are signs of impairment, an impairment test will be conducted on the balance sheet date. If the recoverable amount of the asset is less than its book value after test, assets impairment provision will be made at the difference and included into impairment loss. The recoverable amount is determined at the higher of the net of the fair value less disposal costs and the present value of the expected future cash flows. The assets impairment provision is calculated and made on an individual basis. If it is difficult for the Company to estimate the recoverable amount of the individual asset, the recoverable amount of an asset group to which the said asset belongs to will be determined. Asset group is the smallest asset group that can independently generate cash inflows.

For goodwill, impairment test shall be conducted at least in the end of each year.

The Company conducts an impairment test for the goodwill. The book value of goodwill arising from business combinations is amortized to relevant asset groups with a reasonable method from the date of acquisition; or amortized to relevant combination of asset groups if it is difficult to be amortized to relevant asset groups. When the book value of goodwill is amortized to the relevant assets group or combination of assets groups, it shall be evenly amortized according to the proportion of the fair value of each assets group or combination of assets groups in the total fair value of the relevant assets groups or combinations of assets groups. Where the fair value cannot be reliably measured, it should be amortized according to the proportion of the book value of each asset group or combination of assets groups in the total book value of assets groups or combinations of assets groups.

When making an impairment test on the relevant assets groups or combination of assets groups containing goodwill, if any indication shows that the assets groups or combinations of assets groups may be impaired, the Company shall first conduct an impairment test on the assets groups or combinations of assets groups not containing goodwill, calculate the recoverable amount and compare it with the relevant book value to recognize the corresponding impairment loss. Then the Company shall conduct an impairment test on the assets groups or combinations of assets groups containing goodwill, and compare the book value of these assets groups or combinations of assets groups (including the book value of the goodwill apportioned thereto) with the recoverable amount. Where the recoverable amount of the relevant assets groups or combinations of assets groups is lower than the book value thereof, the Company shall recognize the impairment loss of the goodwill.

The above losses from asset impairment shall not be reversed in subsequent accounting periods once recognized.

23. Long-term deferred expenses

Long-term deferred expenses refer to various expenses which have been already incurred but will be born in this period and in the future with an amortization period of over 1 year.

1. Amortization method

Long-term deferred expenses are amortized evenly over the beneficial period.

2. Amortization years

The amortization period is determined in accordance with the contract or expected beneficial period.

24. Employee compensation

1. Accounting treatment of short-term compensation

During the accounting period of an employee' providing services for the Company, the Company should recognize the short-term compensation actually incurred as liabilities and include it in the current profit and loss or the relevant asset costs.

During the accounting period when employees serve the Company, the corresponding amount of employee

compensation is calculated and determined according to the provision basis and provision proportion as stipulated in the provisions on the social insurance premiums and housing funds paid for employees by the Company, as well as trade union funds and employee education funds.

If the employee benefits are of non-monetary, they are measured at fair value if they can be reliably measured.

2.Accounting treatment of post-employment benefits

Defined contribution plans

The Company pays basic endowment insurance and unemployment insurance for employees according to the relevant provisions of the local government, calculate payables according to payment base and proportion specified by the local government and recognizes them as liabilities, and includes them into the current profit and loss or the relevant asset costs.

3.Accounting treatment of dismissal benefits

The Company recognizes the employee compensation arising from dismissal benefits as liabilities and include it in the current profit and loss when the Company cannot unilaterally withdraw dismissal benefits which are provided for termination of labor relation plan or layoff proposal, or when the Company recognizes costs or expenses (which is earlier) associated with restructuring of payment of dismissal benefits.

(4) Accounting methods for other long-term employee benefits

25. Estimated liabilities

1.Recognition criteria for estimated liabilities

Where all the following conditions are met simultaneously for any obligation pertinent to any contingency including litigation, debt guarantee, onerous contract and reorganization, the Company will recognize such contingency as estimated liabilities:

- (1) The obligation is a present obligation of the Company;
- (2) The performance of such obligation is likely to result in outflow of economic benefits from the Company; and
- (3) The amount of the obligation can be measured reliably.

2.Measurement of estimated liabilities

Estimated liabilities of the Company is initially measured as the best estimate of expenses required for the performance of the relevant present obligations.

When the Company determines the best estimate, it should have a comprehensive consideration of risks with respect to contingencies, uncertainties and the time value of money. If the time value of money is significant, the best estimate shall be determined after discounting the relevant future outflow of cash.

The best estimate shall be accounted as follows in different circumstances:

If there is continuous range (or interval) for the necessary expenses, and probabilities of occurrence of all the outcomes within this range are equal, the best estimate shall be determined at the average amount of upper and lower limits within the range.

If there is no continuous range (or interval) for the necessary expenses, or probabilities of occurrence of all the outcomes within this range are unequal although such a range exists, in case that the contingency involves a single item, the best estimate shall be determined at the most likely outcome; if the contingency involves two or more items, the best estimate should be determined according to all the possible outcomes with their relevant probabilities.

When all or some of the expenses necessary for the liquidation of estimated liabilities of the Company are expected to be compensated by a third party, the compensation should be separately recognized as an asset only when it is virtually certain that the reimbursement will be obtained. The amount recognized for the reimbursement should not exceed the book value of estimated liabilities.

26.Share-based payments

The Company's share-based payments are transactions in which the Company grants equity instruments or undertakes equity-instrument-based liabilities in return for services from employees [or other parties]. The share-based payments of the Company consist of equity-settled share-based payments and cash-settled share-based payments.

Where equity-settled share-based payments are exchanged for providing services by employees, their fair values are measured at those of employees' equity instruments. Where the Company makes share-based payments in restricted stocks and the employee makes capital contributions to subscribe such shares, such shares should not be circulated or transferred before they reach unlocked conditions and before they are unlocked; if the unlocked conditions specified in the final equity incentive plan fail to be reached, then the Company should repurchase the shares at the price agreed in advance. When the Company received the payment of the employee for the subscription of restricted stocks, it should recognize share capital and capital reserves (share premiums) in

accordance with the payment for subscription received. The Company should fully recognize a liability at the repurchase obligations and recognize treasury stock at the same time. On each balance sheet date within the vesting period, the Company will, based on the newly-acquired subsequent information such as the changes in the number of the vested employees and whether the specified performance is reached, make the best estimate on the number of the vesting equity instruments. On such basis, the services received in the current period should be included in the relevant cost or expenses according to fair value on the date of grant and capital reserves should be accordingly increased. No adjustments should be made to the recognized relevant costs or expenses and total owners' equity after the vesting date. However, when the right can be exercised immediately after the grant, it should be included in the relevant costs or expenses at the fair value on the date of grant. The capital reserves should be increased accordingly.

For share-based payments finally failing to be exercised, costs or expenses should not be recognized, unless the conditions for vesting are market conditions or non-vesting conditions. At this time, whether market conditions or non-vesting conditions are met or not, it is deemed to have vesting rights if non-market conditions in all the vesting conditions are met.

If the terms of the equity-settled share-based payments were modified, the services received should be recognized at least in accordance with the terms of the unmodified terms. Moreover, the modification of fair value of equity instruments granted from any increase, or beneficial changes to the employee on the modification date should be recognized as increases in services obtained.

If the equity-settled share-based payments were cancelled, they should be handled as accelerated exercise of rights on the date of cancellation and the amount that is not yet recognized should be immediately recognized. Where employees or other parties could choose to meet non-vesting conditions but failed to meet the conditions in the vesting period, they should be handed as cancelling the equity-settled share-based payments. But, if new equity instruments were granted and such new equity instruments granted are recognized to be used to replace the cancelled equity instruments on the date of grant of new equity instruments, then the alternative equity instruments for granted should be handled in the way same as the revision to terms and conditions on handling the original equity instruments.

27. Preferred shares, perpetual capital securities and other financial instruments

28. Revenue

1. General recognition principles for revenues from sales of goods:

- (1) The Company has transferred significant risks and rewards of ownership of the goods to the buyer;
- (2) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (3) The amount of revenues can be measured reliably;
- (4) The related economic benefits are likely to flow into the Company;
- (5) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. Specific principles

(1) Revenues from rendering of services

Revenues from rendering of services of the Company mainly refer to revenues from engineering design. If the outcome of transactions can be estimated reliably, revenues shall be recognized at the important timing specified in the design contract. That is to say, revenues shall be recognized at the percentage of workload of completed design at the important timing in total design workload and expected recoverable contract amount.

Where the outcome of transactions on rendering of services cannot be reliably estimated, the revenues from rendering of services shall be recognized at labor costs that have been incurred and that are expected to be compensated. The labor costs that have been incurred are recognized as the expenses in the current period. Labor costs that have been incurred but that are not expected to be compensated shall not be recognized as revenues.

When contracts or agreements of the Company concluded with other enterprises include sales of goods and rendering of services, if the part of sales of goods and that of rendering of services can be distinguished and be separately measured, they shall be treated separately; if the part of sales of goods and that of rendering of services cannot be distinguished or can be distinguished but cannot be separately measured, the whole contract shall be treated as sales of goods.

(2) Revenues from construction contracts

If the outcome of a construction contract can be reliably estimated, the revenues and costs from the construction contract shall be recognized at the percentage of completion method on the balance sheet date. The percentage of completion of the contract is recognized at the percentage of the accumulated contract costs actually incurred in the estimated total costs.

Note: Calculation formula

Where the outcome of a construction contract cannot be estimated reliably, if contract costs are not expected to be recoverable, contract revenue is recognized to the extent of actual contract costs that are expected to be recoverable and the contract costs are recognized as contract expenses immediately when incurred. If contract costs are not expected to be recoverable, they are recognized as expenses immediately when incurred and contract revenue is not recognized. When uncertainties that make the outcome of a construction contract unable to be estimated reliably do not exist, revenues and costs associated with construction contracts should be recognized with the completion percentage method.

If the estimated total contract costs exceed the estimated total contract revenue, the expected loss is recognized as current expenses.

Accumulated cost incurred and accumulative gross profit (loss) recognized as well as settled payments of the construction contract should be presented at the net amount after the offset in the balance sheet. The part of accumulated cost incurred plus accumulative gross profit (loss) recognized exceeding settled payments of the construction contract should be presented as inventories; the part of accumulated cost incurred plus accumulative gross profit (loss) recognized in short of settled payments of the construction contract should be presented as advances from customers.

(3) Hospital income

Hospital income comes mainly from outpatient and inpatient, affirm income time when patients finished settlement. Income from outpatient service, because in the patient of outpatient treatment, do not need to be hospitalized, is a short treatment time, the clinic will be in the hospital after the settlement, pay treatment and is expended, affirm income financial on the day after receipt of the money.

Resident income, because the hospital patients need to be in the hospital treatment for a period of time, when the hospital new prepaid a part of the medical model, the first not affirm income. At discharge, the settlement of the hospitalization medical treatment, the patient draw up invoices for the hospital to the patient, the financial confirm the income of hospital patients.

29. Government subsidies

(1) Basis and accounting methods for assets related government subsidies

1. Type

Government subsidies are monetary assets and non-monetary assets freely obtained by the Company from the government. They are divided into government subsidies related to assets and government subsidies related to income.

Government subsidies related to assets refer to government subsidies which are acquired by the Company for construction or form long-term assets in other ways, including the financial allocation for purchasing fixed assets or intangible assets, the financial discount for special loan of fixed assets and others. Government subsidies related to income refer to government subsidies other than government subsidies related to assets.

2. Timing of recognition

If a government subsidy is a monetary asset, it shall be measured in the light of the amount received or receivable. If a government subsidy is a non-monetary asset, it shall be measured at its fair value; and if its fair value cannot be obtained in a reliable way, it shall be measured at a nominal amount. Government subsidies measured at the nominal amount are directly included in the current profit or loss.

3. Accounting treatment

For asset-related government grants, the Company will recognize them as deferred income, and include them in non-operating income according to the useful lives of the related assets constructed or acquired; if government subsidies related to income are used to compensate the Company's relevant expenses or losses in future periods, such government subsidies should be recognized as deferred income on acquisition and be included in the current profit and loss during the period of recognition of the relevant expenses; if government subsidies related to income are used to compensate the Company's relevant expenses or losses incurred, such government subsidies are directly included into the current profit and loss on acquisition.

30. Deferred income tax assets and deferred income tax liabilities

Deferred income tax assets are recognized at deductible temporary differences to the extent that it shall not exceed the taxable income probably obtained in future period to be against the deductible temporary difference. For deductible losses and tax credits that can be carried forward to subsequent periods, deferred tax assets arising therefrom are recognized to the extent that future taxable income will be probable to be available against deductible losses and tax credits.

Taxable temporary differences are recognized as deferred income tax liabilities except in special circumstances.

Such special circumstances include: the initial recognized of goodwill; other transactions or events that are not a business combination and affect neither accounting profit nor taxable profit (tax loss).

If the Company has the legal right of netting and intends to settle in net amount or to obtain assets and discharge liabilities simultaneously, the current income tax assets and current income tax liabilities of the Company shall be presented based on the net amount after offset.

When the Company has the legal right for netting of current income tax assets and current income tax liabilities and the income tax assets and income tax liabilities are related to the income tax levied on the same taxpayer by the same tax administrative department or are related to different taxpayers but, within each future period of reversal of important income tax assets and income tax liabilities, the taxpayers involved intend to settle current income tax assets and current income tax liabilities or acquire assets and liquidate liabilities at the same time, the Company's income tax assets and income tax liabilities shall be presented at the net amount after the offset.

31. Leases

1. Accounting treatment of operating leases

(1) The Company's rental expenses paid for leased assets shall, within the whole lease term excluding the rent-free period, be amortized with the straight-line method and included in current expenses. Initial direct costs related to lease transactions paid by the Company shall be included in the current expenses.

When assets lessor bears costs related to the lease borne by the Company, the Company shall deduct the part of expenses from the total rents and amortize the rents after deduction over the lease term and include them in current expenses.

(2) The Company's rental expenses collected for leased assets shall, within the whole lease term excluding the rent-free period, be amortized with the straight-line method and recognized as the relevant rental income. Initial direct cost associated with leasing transactions paid by the Company should be included in the current cost; the cost of large amount shall be capitalized and included by stages in the current income according to the same base recognized at the income related to leasing over the whole leasing period.

When the Company bears costs related to the lease borne by the lessee, the Company shall deduct te part of expenses from the total rents and amortize the rents after deduction over the lease term.

2. Accounting treatment of finance leases

(1) Assets acquired under finance leases: at the inception of the leases, the Company shall recognize the book-entry value of leased assets at the lower of their fair values or their present values of the minimum lease payments, and shall recognize the book-entry value of long-term payables at the amounts of the minimum lease payments, and shall recognize the differences between the above two book-entry values as unrecognized financing charges. Under the effective interest method, the Company amortizes the unrecognized financing charges over the lease term and includes them in the financial expenses. The Company records the initial direct expenses in the values of leased assets.

(2) Assets leased under finance leases: On the lease beginning date, the Company recognizes the difference of finance leasing receivables plus unguaranteed residual value and their present value as unrealized financing income and recognized the unrealized financing income as rental income in each period when the rents will be received in the future. The initial direct expenses of the Company related to lease are included into the initial measurement of financing lease payment receivable, and the income recognized in lease period is decreased accordingly.

Applicable Not applicable

32. Other significant accounting policies and estimates

(1) Change of main accounting policies

None

(2) Change of main accounting estimations

None

33. Change of main accounting policies and estimations

(1) Change of main accounting policies

None

(2) Change of main accounting estimations

None

34.Other

VI.Taxation

1.Main categories and rates of taxes

Tax type	Tax basis	Tax rate(%)
VAT	The output tax is calculated based on taxable income in accordance with tax laws, and value added tax payable should be the balance of the output tax after deducting the deductible input tax for the current year	11、 36
Business tax	Calculated and paid at taxable operating income	3、 5
Urban maintenance and construction tax	Calculated and paid at business tax, value-added tax and consumption tax actually paid	1、 5、 7
Enterprise income tax	Calculated and paid at taxable income	15、 25

In case there exist any taxpayer paying corporate income tax at different tax rates, disclose the information

Name of taxpayer	Income tax rates
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2.Tax preferences

(1) According to the provisions of the Circular of the State Administration of Taxation on Issuing the Tentative Measures for the Collection and Administration of Income Tax on Enterprises That Have Operations in Different Regions and That Pay Taxes in a Consolidated Manner (G.S.F. [2008] No. 28) issued on March 10, 2008, for business institutions and establishments without the status of a legal person that are established in different regions within the territory of China, namely those engaging in production and operating activities in different regions, their head offices (parent companies) are enterprises that pay taxes in a consolidated manner. The parent company pays taxes in a consolidated manner. The parent company pays taxes in a consolidated manner. Head office and branches prepay enterprise income tax in installment, 50% of which is shared by all branches and 50% of which is prepaid by the head office. Branches share the prepayments in the proportion of 35%, 35% and 30% of operating income, employee compensation and total assets; final settlement of annual enterprise income tax shall be made by the parent company at the tax authority and will no longer be allocated to branches.

(2) The Company's subsidiaries Sino Great Wall Group Co., Limited (hereinafter referred to as "Sino Hong Kong") and Inrich Me Engineering Co., Limited (hereinafter referred to as "Inrich Me Engineering") are enterprises established in the Hong Kong Special Administrative Region and are subject to enterprise profit tax at the rate of 16.5%; Sino Great Wall International Engineering (MACAU) Co., Limited (hereinafter referred to as "Sino Macau") is an enterprise established in the Macao Special Administrative Region and is subject to complementary income tax at the progressive rate.

(3) The Company's wholly-owned subsidiary Sino Great Wall International Engineering Co., Ltd. (hereinafter referred to as "Sino International") obtained the high-tech enterprise certificate (No. GR201511003125) jointly approved and issued by Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, Beijing Municipal Office, SAT and Beijing Local Taxation Bureau on November 24, 2015. The certificate was issued on November 24, 2015 and valid for 3 years, so Sino International would pay enterprise income tax at

the rate of 15% in 2015, 2016 and 2017.

(4) According to the Notice of Ministry of Finance and State Administration of Taxation on Full Implementation of Replacing the Business Tax with the VAT, the company's wholly-owned subsidiary-Wuhan Commercial & Vocational Hospital Co.,Ltd shall enjoy the preferential policy with VAT exemption from May 1, 2016.

3.Other

VII. Notes to the major items of consolidated financial statement

1.Monetary funds

In RMB

Items	Year-end balance	Year-beginning balance
Cash on hand	1,421,081.59	1,349,587.20
Bank deposit	523,011,174.45	343,390,159.56
Other monetary capital	589,928,907.42	350,644,814.55
Total	1,114,361,163.46	695,384,561.31
Including: Total amount deposited abroad	64,361,377.79	60,170,773.67

2. Financial assets measured at fair value through current profit and loss

In RMB

Items	Year-end balance	Year-beginning balance
Financial assets measured at fair value through current profit and loss	0	1,102,961.04
Total	0	1,102,961.04

3.Derivative financial assets

Applicable Not applicable

4.Note receivables

(1)Classification Note receivable

In RMB

Items	Year-end balance	Year-beginning balance
Bank acceptance bill	891,520.48	4,040,251.87
Commercial acceptance bill	209,999,799.21	216,408,496.07
Total	210,891,319.69	220,448,747.94

(2) Notes receivable pledged by the Company at the period-end

In RMB

Items	Amount

(3) Notes receivable endorsed or discounted by the Company as at June 30,2016 but not expired on the balance sheet date

In RMB

Item	Amount derecognized as at June 30, 2016	Amount underecognized as at June 30, 2016
Bank acceptance bill	20,601,564.61	
Commercial acceptance bill		107,157,999.08
Total	20,601,564.61	107,157,999.08

5. Account receivable

(1).Classification account receivables.

In RMB

Category	Amount in year-end					Amount in year- begin				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Receivables subject to provision for bad debts on credit risk characteristics basis	3,535,940,852.18	100.00%	373,709,026.59	10.57%	3,162,231,825.59	2,638,742,183.89	100.00%	285,934,096.56	10.84%	2,352,808,087.33
Total	3,535,940,852.18		373,709,026.59		3,162,231,825.59	2,638,742,183.89		285,934,096.56		2,352,808,087.33

Receivable accounts with large amount individually and bad debt provisions were provided

Applicable Not applicable

Account receivable on which bad debt provisions are provided on age basis in the group

Applicable not applicable

In RMB

Aging	Amount in year-end		
	Account receivable	Bad debt provision	Rate of allowance(%)
Within item 1 year			
Within 1 year	2,320,366,583.60	148,165,313.55	5.00%
1-2 years	838,376,994.69	83,837,699.47	10.00%
2-3 years	260,707,518.15	78,212,255.45	30.00%
3-4 years	102,177,573.37	51,088,786.69	50.00%
4-5 years	9,536,054.65	7,628,843.72	80.00%
Over 5 years	4,776,127.72	4,776,127.71	100.00%
Total	3,535,940,852.18	373,709,026.59	

Notes:

(2) Bad debt provision accrual collected or switch back

Bad debt provision accrual was RMB58,627,821.32 ; The amount collected or switches back amounting to 37,413,023.19.

(3) The current accounts receivable write-offs situation

In RMB

Items	Amount written off

Account receivables actually written-off during the reporting period:

In RMB

Name	Nature of account receivables	Amount written off	Reason for written -off	Verification procedures	Arising from related transactions (Y/N)

Explanation for write-off of account receivables:

(4) The ending balance of other receivables owed by the imputation of the top five parties

Name	Amount in year-end		
	Account receivable	Proportion(%)	Bad debt provision
China Harbour Engineering Company Ltd.	492,333,328.54	14.73	24,616,666.43
China Water Conservancy & Hydropower Second Engineering Bureau Co., Ltd.	310,280,223.17	8.95	15,514,011.16
Zhong Ya Group	232,270,000.92	7.14	11,613,500.05
Oxley Diamond (Cambo	209,683,175.54	6.35	10,484,158.78
Henan No.1 Thermal Power Construction Co., Ltd.	178,865,404.63	5.51	8,943,270.23
Total	1,423,432,132.80	42.67	71,171,606.64

(5) Account receivable which terminate the recognition owing to the transfer of the financial assets

(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable

Other notes:

6.Prepayments

(1) Age analysis

In RMB

Aging	Year-end balance		Year-beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	109,659,061.20	93.07%	70,146,608.20	90.27%
1-2 years	5,273,833.77	4.50%	5,258,018.08	6.77%
2-3 years	1,681,622.82	1.40%	1,090,606.22	1.40%
Over 3 years	1,205,486.72	1.03%	1,212,335.88	1.56%
Total	117,820,004.51	--	77,707,568.38	--

Notes of the reasons of the prepayment ages over 1 year with significant amount but failed settled in time: :

(2) The ending balance of Prepayments owed by the imputation of the top five parties

Name	Balance in year-end	Proportion
Shenzhen Qianhai Yifang Supply chain Management Co., Ltd.	45,000,000.00	38.43
DANCO For Building Materials Co.	14,892,674.54	12.72
Kaiyuan (Tianjing) Building materials Sales Co., Ltd.	2,972,088.60	2.54
ABB LLC QATAR	2,712,624.20	2.32
TIANJIN TEXTILE GROUP IMPORT AND EXPORT INC.	2,206,750.71	1.88
Total	67,784,138.05	57.89

Other notes:

7. Interest receivable

None

8. Dividend receivable

None

9. Other receivable

(1) Disclosure of classification of other receivables

In RMB

Category	Amount in year-end					Amount in year-begin				
	Amount in year-end		Amount in year-begin		Book value	Amount in year-end		Amount in year-begin		Book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables provided bad debt provision in credit risk groups	510,129,746.12	100.00%	42,550,062.09	8.34%	467,579,684.03	261,942,379.50	99.82%	21,989,493.40	8.39%	239,952,886.10
Other account receivable with minor individual amount but bad debt provision is provided						478,000.00	0.18%	478,000.00	100.00%	
Total	510,129,746.12		42,550,062.09		467,579,684.03	262,420,000.00	100.00%	22,467,493.40	8.56%	239,952,886.10

	746.12		62.09		84.03	,379.50		3.40		6.10
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Other receivable accounts with large amount and were provided had debt provisions individually at end of period.

Applicable Not applicable

Other receivable accounts in Group on which bad debt provisions were provided on age analyze basis:

Applicable Not applicable

In RMB

Aging	Amount in year-end		
	Other receivable	Bad debt provision	Proportion (%)
Within item 1 year			
Within 1 year	395,480,734.49	19,536,993.94	5.00%
1-2 years	67,082,013.00	6,708,201.30	10.00%
2-3 years	41,702,166.65	12,510,649.99	30.00%
3-4 years	2,248,477.69	1,124,238.85	50.00%
4-5 years	1,393,184.91	1,114,547.93	80.00%
Over 5 years	1,555,430.09	1,555,430.09	100.00%
Total	510,129,746.12	42,550,062.09	

Notes:

Other receivable account in Group on which bad debt provisions were provided on percentage basis:

Applicable Not applicable

Other Receivable accounts on which bad debt provisions are provided by other ways in the portfolio:

Applicable Not applicable

(2) Bad debt provision accrual collected or switch back

Bad debt provision accrual was 19,848,625.05, the account collected or switches back amounting to RMB 1,920,113.09.

(3) Other receivables actually written off in the reporting period

None

(4) Other receivables Nature of fund classification information

In RMB

Nature	End of term	Beginning of term
Bidding margins, performance bonds and deposits	218,269,868.30	168,213,515.22
Petty cash and current accounts between individuals	36,810,307.53	40,331,852.58
Current accounts between entities	246,530,131.21	53,815,203.95
Others	8,519,439.08	59,807.75
Total	510,129,746.12	262,420,379.50

(5) The ending balance of other receivables owed by the imputation of the top five parties

In RMB

Name	Nature	Year-end balance	Age	Portion in total other receivables(%)	Bad debt provision of year-end balance
China Electric Power Construction Group Co., Ltd.	Current accounts between entities	228,768,436.44	Within 1 year	45.32%	11,438,421.82
Leading Group Office for Reconstruction and Extension Project of Jingfeng Hotel of the General Logistics Department of PLA	Performance bonds	39,490,000.00	2-3years	7.82%	11,847,000.00
Chengdu Qinyuan Real Estate Development Co., Ltd.	Performance bonds	30,000,000.00	Within 1 year	5.94%	1,500,000.00
Xinjiang Hongguangshan Hotel Co., Ltd.	Performance bonds	26,189,000.00	2-3 years	5.19%	7,856,700.00
First United General	Deposits	21,317,541.47	1-2 years	4.22%	2,131,754.15
Total	--	345,764,977.91	--	68.49%	34,773,875.97

10. Inventories

(1) Inventories types

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Raw materials	17,306,050.90		17,306,050.90	13,086,673.87		13,086,673.87
Stock commodities	11,623,307.31	1,404,762.68	10,218,544.63	7,538,609.26	1,352,585.08	6,186,024.18
Engineering construction	209,966,380.82		209,966,380.82	148,457,514.11		148,457,514.11
Materials in transit	8,365,576.38		8,365,576.38	403,456.75		403,456.75
Total	247,261,315.41	1,404,762.68	245,856,552.73	169,486,253.99	1,352,585.08	168,133,668.91

(2) Inventory Impairment provision

In RMB

Items	Year-beginning balance	Increased in current period		Decreased in current period		Year-end balance
		Provision	Other	Transferred back	Other	

Stock commodities	1,352,585.08	52,177.60				1,404,762.68
Total	1,352,585.08	52,177.60				1,404,762.68

(3) Explanation on inventories with capitalization of borrowing costs included at ending balance

11. Assets divided as held-to-sold

In RMB

Items	Book value	Fair value	Disposition expenses	Disposition time
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Other notes:

12. Non-current assets due within 1 year

In RMB

Items	Year-end balance	Year-beginning balance
Long-term borrowings maturing within one year	14,020,966.88	15,717,270.60
Total	14,020,966.88	15,717,270.60

Other notes:

13. Other current assets

In RMB

Items	Year-end balance	Year-beginning balance
Input tax to be deducted	13,633,979.33	14,138,411.87
Total	13,633,979.33	14,138,411.87

Other notes:

14. Available-for-sale financial assets

None

15. Investment held-to-maturity

None

16. Long-term accounts receivable

None

17. Long-term equity investment

None

18. Investment property

(1) Investment property adopted the cost measurement mode 1

 Applicable Not applicable

(2) Investment property adopted fair value measurement mode

 Applicable Not applicable

(3) Details of investment property failed to accomplish certification of property

None

19. Fixed assets

(1) Fixed assets

In RMB

Items	Houses & buildings	Machinery equipment	Transportations	Other	Total
I. Original price					
1. Opening balance	10,193,831.80	15,035,917.90	27,339,595.16	5,460,583.58	58,029,928.44
2. Increased amount of the period	48,408,486.23	44,519,558.20	1,718,700.00	3,126,300.00	97,773,044.46
(1) Purchase			3,908,230.18	716,263.14	4,624,493.32
(2) Transferred from construction in progress	5,419,716.92	3,218,758.20			8,638,475.15
(3) Increased of Enterprise Combination	42,988,769.31	41,300,800.00	1,718,700.00	3,126,300.00	89,134,569.31
3. Decrease in the current period					
(1) Disposal					
4. Balance at period-end	38,182,128.68	34,701,224.13	32,097,141.34	7,801,079.72	112,781,573.87
II. Accumulated amortization					
1. Balance at period-beginning	74,769.21	602,256.64	11,569,621.16	1,937,065.80	14,183,712.81

2. Increase in the current period	20,697,522.10	25,949,610.20	1,969,837.69	1,886,530.09	50,503,500.08
(1) Withdrawal	277,332.75	1,095,358.20	1,100,453.69	390,062.09	2,863,206.73
(2) Increased of Withdrawal	20,420,189.35	24,854,252.00	869,384.00	1,496,468.00	47,640,293.35
3. Decrease in the current period					
(1) Disposal					
4. Balance at period-end	20,772,291.31	26,551,866.84	13,539,458.85	3,823,595.89	64,687,212.89
III. Impairment provision					
1. Balance at period-beginning					
2. Increased amount of the period					
(1) Withdrawal					
3. Decrease in the current period					
(1) Dispose					
4. Balance at period-end					
IV. Book value					
1. Book value at period -end	37,830,026.72	33,003,609.29	19,427,066.49	5,478,959.83	95,739,662.33
2. Book value at period-beginning	10,119,062.59	14,433,661.26	15,769,974.00	3,523,517.78	43,846,215.63

(2) List of temporarily idle fixed assets

None

(3) Fixed assets leased in from financing lease

None

(4) Fixed assets leased out from operation lease

None

20. Project under construction

(1) Project under construction

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Book Net value	Book balance	Provision for devaluation	Book Net value
Suzhou Lvbang Plant				4,978,670.79		4,978,670.79
Kuwait tower cranes	2,101,034.12		2,101,034.12	5,038,257.45		5,038,257.45
Total	2,101,034.12		2,101,034.12	10,016,928.24		10,016,928.24

(2) Changes of significant construction in progress

In RMB

Name	Budget	Amount at year beginning	Increase at this period	Transferred to fixed assets	Other decrease	Balance in year-end	Proportion (%)	Progress of work	Capitalization of interest accumulated balance	Including: Current amount of capitalization of interest	Capitalization of interest ratio (%)	Source of funds
Suzhou Lvbang Plant	6,478,670.79	4,978,670.79	441,046.13	5,419,716.92								Other
Kuwait tower cranes	5,298,257.45	5,038,257.45	202,074.12	3,139,297.45		2,101,034.12						Other
Total	11,776,928.24	10,016,928.24	643,120.25	8,559,014.37		2,101,034.12	--	--				--

(3) List of the withdrawal of the impairment provision of the construction in progress

None

21. Engineering material

None

22. Liquidation of fixed assets

None

23. Productive biological assets

(1) Productive biological assets adopted cost measurement mode

 Applicable Not applicable

(2) Productive biological assets adopted fair value measurement mode

 Applicable Not applicable**24. Oil and gas assets** Applicable Not applicable**25. Intangible assets**

(1) List of intangible assets

In RMB

Items	Land use right	Patent	Non-patent Technology	Software	Total
I. Original price					
1. Opening balance	7,714,044.00			2,452,559.29	10,166,603.29
2. Increased amount of the period					
(1) Purchase				361,487.18	361,487.18
(2) Internal Development					
(3) Increased of Enterprise Combination	97,642,600.00			525,000.00	98,167,600.00

3. Decreased amount of the period					
(1) Disposal					
4. Balance at period-end	105,097,783.41			2,381,146.76	107,478,930.17
II. Accumulated amortization					
1. Balance at period-beginning	181,202.41			717,654.55	898,856.96
2. Increase in the current period	77,658.18			240,245.16	317,903.34
(1) Withdrawal	77,658.18			240,245.16	317,903.34
(2) Increase of withdrawal	0			0	0
3. Decreased amount of the period					
(1) Disposal					
4. Balance at period-end	258,860.59			957,899.71	1,216,760.30
III. Impairment provision					
1. Balance at period-beginning					
2. Increase in the current period					
(1) Withdrawal					
3. Decreased amount of the period					
(1) Disposal					
4. Balance at period-end					
4. Book value					
1. Book value at period -end	105,097,783.41			2,381,146.76	107,478,930.17
2. Book value at period-beginning	7,532,841.59			1,734,904.74	9,267,746.33

The proportion the intangible assets formed from the internal R&D through the Company amount the balance of the intangible assets at the period-end

26. R&D expenses

Current research and development spending is RMB 64.8587 million.

27. Goodwill

(1) Original book value of goodwill

In RMB

Name	Amount at period-beginning	Increase in the current period		Decrease in the current period		Amount at period-end
Shenzhen Yatian Decoration Design Engineering Co., Ltd.	6,724,316.91					6,724,316.91
Wuhan Commercial & Vocational Hospital Co.,Ltd		27,257,314.49				27,257,314.49
Total	6,724,316.91	27,257,314.49				33,981,631.40

(2) Impairment of goodwill

None

28. Long term amortize expenses

In RMB

Items	Balance in year-begin	Increase in this period	Amortized expenses	Other loss	Balance in year-end
Renovation costs	14,879,816.11	1,182,947.82	2,449,698.71		13,613,065.22
Overseas guarantee fees	19,747,240.18		5,906,237.56		13,841,002.62
Less: Long-term borrowings maturing within one year	-15,717,270.60			-1,681,158.09	-14,036,112.51
Amortization of advisory fees		22,800,000.00			22,800,000.00
Total	18,909,785.69	23,982,947.82	8,355,936.27	-1,681,158.09	36,217,955.33

Other notes

29. Deferred income tax assets/deferred income tax liabilities

(1) Details of the un-recognized deferred income tax assets

In RMB

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets

Provision for asset impairment	379,263,022.08	57,764,223.79	308,401,589.95	46,440,178.39
Deductible losses	4,729,047.45	1,171,953.41	4,729,047.45	1,171,953.41
Provision for inventory depreciation	1,404,762.68	351,190.67	1,352,585.08	338,146.27
Total	385,396,832.21	59,287,367.87	314,483,222.48	47,950,278.07

(2) Details of the un-recognized deferred income tax liabilities

In RMB

Items	Balance in year-end		Balance in year-begin	
	Temporarily Deductable or Taxable Difference	Deferred Income Tax liabilities	Temporarily Deductable or Taxable Difference	Deferred Income Tax liabilities
Taxable temporary differences	28,759,092.55	28,759,092.55	102,961.04	15,444.16
Total	28,759,092.55	28,759,092.55	102,961.04	15,444.16

(3) Deferred income tax assets or liabilities listed by net amount after off-set

In RMB

Items	Trade-off between the deferred income tax assets and liabilities	End balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax assets		59,287,367.87		47,950,278.07
Deferred income liabilities		28,759,092.55		15,444.16

(4) List of unrecognized deferred income tax assets

None

(5) Deductible losses of unrecognized deferred income tax assets will due the following years

None

30. Other non-current assets

In RMB

Items	End of term	Beginning of term
Advances for purchase of long-term assets	100,540,012.47	95,353,390.28
Total	100,540,012.47	95,353,390.28

Other notes:

31 .Short-term loans

(1) Category of short-term borrowings

In RMB

Items	End of term	Beginning of term
Guaranteed borrowings	1,679,550,648.00	210,000,000.00
Commercial acceptance bills endorsed or discounted but not expired on the balance sheet date	107,157,999.08	15,408,496.07
Total	1,786,708,647.08	225,408,496.07

Notes :

(2) List of the short-term loans overdue but not return

None

32. Financial liabilities measured at fair value through current profit and loss

None

33. Derivative financial liabilities Applicable Not applicable**34. Note payable**

In RMB

Items	End of term	Beginning of term
Bank acceptance	314,222,954.89	143,410,167.17
Total	314,222,954.89	143,410,167.17

The amount payable at the end of this term is RMB 0.00.

35. Accounts payable

(1) Details of accounts payable are as follows

In RMB

Items	End of term	Beginning of term
Project engineering Fund	988,847,920.66	1,331,950,114.27
Purchases of long-term assets	1,615,001.40	669,840.50
Goods	25,092,073.37	
Total	1,015,554,995.43	1,332,619,954.77

(2) Accounts payable with major amount and aging of over one year

In RMB

Items	End of term	Beginning of term
Ceylon Steel Corporation Ltd	11,301,426.09	No settlement period
CUMMINS QATAR LLC	14,294,662.75	No settlement period
Total	25,596,088.84	--

Other notes:

36. Accounts received in advance

(1)Accounts received in advance

In RMB

Items	End of term	Beginning of term
Project engineering Fund	71,596,504.10	64,963,842.60
Accounts received in advance	2,010,456.57	
Total	73,606,960.67	64,963,842.60

(2) Accounts received in advance with major amount and aging of over one year

None

(3) Assets settled formed by construction contract which has un-completed at period-end

None

37. Employees' wage payable

(1) Details

In RMB

Items	Beginning of term	Increased this period	Decreased this period	End of term
I. Short-term wages	11,696,032.04	178,042,993.62	167,689,173.05	22,353,800.61
II. Welfare after leaving of position-fixed provision scheme	973,587.16	11,213,327.29	11,146,980.89	963,598.98
Total	12,669,619.20	189,256,320.91	178,836,153.94	23,317,399.59

(2) Details of short term wages

In RMB

Items	Beginning of term	Increased this period	Decreased this period	End of term
1. Wage, bonus, allowance and subsidies	10,957,918.68	157,078,284.50	146,607,604.08	21,732,547.10
2. Employee welfare		8,416,493.99	8,416,493.99	
3. Social insurance	678,746.36	6,155,891.89	6,296,998.78	537,639.51
Incl. Medical insurance	567,258.19	5,548,679.30	5,650,331.07	465,606.37

Labor injury insurance	48,777.45	176,589.60	206,506.67	18,860.35
Maternity insurance	62,710.72	430,623.10	440,161.04	53,172.79
4. Housing fund	59,367.00	4,855,735.40	4,831,488.36	83,614.00
5. Labour union fee and employee education fee		1,536,587.84	1,536,587.84	
Total	11,696,032.04	178,042,993.62	167,689,173.05	22,353,800.61

(3) Details of fixed provision scheme

In RMB

Items	Beginning of term	Increased this period	Decreased this period	End of term
Basic endowment insurance premiums	928,655.00	10,610,149.46	10,525,287.95	937,088.87
Unemployment insurance premiums	44,932.16	603,177.83	621,692.94	26,510.11
Total	973,587.16	11,213,327.29	11,146,980.89	963,598.98

Other notes:

38. Taxes payable

In RMB

Items	Balance in year-end	Balance in year-begin
VAT		367,314.45
Business tax	90,446,358.29	99,853,626.46
Enterprise income tax	145,877,663.27	172,280,720.23
Individual income tax	452,994.06	545,880.47
Urban maintenance and construction tax	5,860,575.19	6,413,578.69
Education surtax	4,617,917.03	5,106,621.62
Stamp tax and other taxes	90,148.95	258,548.19
Land use tax	65,905.22	
Property tax	34,225.74	
Total	247,445,787.75	284,826,290.11

Other notes:

39. Interest payable

In RMB

Items	Balance in year-end	Balance in year-begin
Interest payable on short-term borrowings	3,683,223.39	330,945.21
Interest payable on long-term borrowings	527,664.72	197,024.05
Total	4,210,888.11	527,969.26

40. Dividend payable

None

41 .Other payables

(1) Other payables by items

In RMB

Items	Balance in year-end	Balance in year-begin
Bidding margins, performance bonds and deposits	54,271,289.84	19,625,824.93
Current accounts between individuals and withholding payables	16,061,227.85	42,269,479.45
Lendings to shareholders		523,963,781.16
Current accounts between entities	190,987,095.04	49,313,976.16
Others	47,935.59	27,914.90
Total	261,367,548.32	635,200,976.60

(2) Other payables with large amount and aging of over one year

None

42. Divided into liability held for sale

None

43. Non-current liability due within one year

In RMB

Items	Balance in year-end	Balance in year-begin
Long-term loans due within 1 year		7,135,752.00
Long-term loans due within 1 year	25,175,567.33	
Total	25,175,567.33	7,135,752.00

Other notes:

44. Other current liability

In RMB

Items	Balance in year-end	Balance in year-begin
Domestic L/C	68,823,529.00	
Total	68,823,529.00	

45. Long-term loan

(1) Category of long-term loan

In RMB

Items	Balance in year-end	Balance in year-begin
-------	---------------------	-----------------------

Pledged borrowings	19,480,800.00	19,480,800.00
Mortgage borrowings	20,977,534.52	10,659,849.14
Guarantee loan	380,000,000.00	
Total	420,458,334.52	30,140,649.14

Notes of short-term loans category:

Other notes including interest rate range:

46. Bond payable

(1) Bond payable

None

(2) Changes on bonds payable (not including other financial instrument classified as preferred stock and perpetual capital securities of financial liabilities)

(3) Note to conditions and time of share transfer of convertible bonds

(4) Note to other financial instrument classified as financial liabilities

None

47. Long-term payable

(1) Details

None

48. Long-term employee salary payable

(1) Long term payable staff salary list

None

(2) Defined contribution plans listed

None

49. Specific payable

None

50. Estimates liabilities

None

51. Deferred income

None

52. Other non-current liability

None

53. Stock capital

In RMB

	Balance in year-begin	Changed (+, -)					Balance in year-end
		Issuance of new share	Bonus shares	Capitalization of public reserve	Other	Subtotal	
Total of capital shares	446,906,582.00			1,251,338,429.00		1,251,338,429.00	1,698,245,011.00

Other notes:

54. Other equity instruments

None

55. Capital reserves

In RMB

Items	Opening balance	Increase in the period	Decrease in the period	Closing balance
Capital (share capital) premium	394,052,904.72			394,052,904.72
Other capital reserves	-444,420,766.94		1,251,338,429.00	-1,695,759,195.94
Total	-50,367,862.22		1,251,338,429.00	-1,301,706,291.22

Other explanation, including changes in the current period, reasons for the change:

56. Treasury stock

None

57. Other comprehensive income

In RMB

Items	Beginning of term	Occurred current term					End of term
		Amount occurred before	Less: accounted as other gains	Less: Income tax expenses	Attributable to the parent co.	Attributable to minority shareholder	

		income tax of the period	previously but transferred to gain/loss this period		after tax	s after tax	
I. Net amount included in other comprehensive income that cannot be transferred to profit or loss in the future							0.00
II. Other Comprehensive income that will be reclassified subsequently to profit or loss	0.00	-132.50			-132.50		-132.50
Foreign currency translation differences					-132.50		-132.50
Total other comprehensive income		-132.50			-132.50	0.00	-132.50

Notes:

58. Special reserves

In RMB

Item	Balance as at January 30, 2016	Increase in the reporting period	Decrease in the reporting period	Balance as at June 30, 2016
Work safety costs	46,014,941.54	28,355,184.48		74,370,126.02
Total	46,014,941.54	28,355,184.48		74,370,126.02

Notes :

59. Surplus reserve

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
Statutory surplus reserve	84,394,441.23			84,394,441.23
Total	84,394,441.23			84,394,441.23

Notes:

60. Retained profits

In RMB

Items	Amount of this period	Amount of last period
Undistributed profits at the beginning of the year after adjustment	755,308,636.19	
Retained profits at the end of the year	959,222,073.64	

As regards the details of adjusted the beginning undistributed profits

(1)As the retroactive adjustment on Enterprise Accounting Standards and its related new regulations, the affected beginning undistributed profits are RMB 0.00.

(2) As the change of the accounting policy, the affected beginning undistributed profits are RMB 0.00.

(3) As the correction of significant accounting error, the affected beginning undistributed profits are RMB 0.00.

(4) As the change of consolidation scope caused by the same control, the affected beginning undistributed profits are RMB 0.00.

(5) Other adjustment of the total affected beginning undistributed profits are RMB 0.00.

61. Business income, Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Income	Cost	Income	Cost
Main Business	1,953,458,815.17	1,460,727,131.33	2,081,209,219.16	1,855,045,569.26
Other Business	115,940.34			
Total	1,953,574,755.51	1,460,727,131.33	2,081,209,219.16	1,855,045,569.26

62. Business tax and subjoin

In RMB

Items	Amount of this period	Amount of last period
Business tax	8,128,747.41	40,170,349.00
Urban maintenance and construction tax	490,781.57	2,418,770.12
Education surtax	407,123.13	2,008,517.48
Total	9,026,652.11	44,597,636.60

Other notes:

63. Sales expenses

In RMB

Items	Amount of this period	Amount of last period
Employee compensation	3,018,618.91	3,893,894.54
Travel expenses	561,434.40	507,329.70
Entertainment expenses	217,201.30	671,038.48
Advertising and promotion expenses	2,675.00	155,680.00
Engineering maintenance fees	1,844,249.85	756,877.26
Others	506,544.07	1,518,085.32
Total	9,259,264.24	7,502,905.30

Other notes:

64. Administrative expenses

In RMB

Items	Amount of this period	Amount of last period
Employee compensation	55,087,982.62	38,266,641.97
Office costs	6,868,345.59	3,379,583.54
Rental fees	8,847,563.59	6,300,885.83
Travel expenses	6,178,764.80	2,177,580.26
Entertainment expenses	4,279,243.33	1,620,694.08
Depreciation of fixed assets	1,049,628.12	1,143,010.68
Vehicle costs	1,406,039.97	1,255,364.65
Amortization of long-term prepaid expenses	2,346,368.89	
Consulting fees	14,430,715.98	4,528,756.34
Recruitment fee	1,465,461.90	615,851.00
Factoring fee	1,408,333.33	
Conference expenses	120,939.59	59,104.20
Tax fee	256,826.82	
Cultivate fee	5,041.50	
Insurance fee	3,473.00	
Other	9,186,385.90	6,106,697.12
Transportation changes	52,639.40	
Total	112,993,754.29	64,838,318.67

Other notes:

65. Financial expenses

In RMB

Items	Amount of this period	Amount of last period
Interest expenses	59,352,770.47	9,194,573.49
Less: Interest income	-1,381,042.14	-617,254.61
Gains or losses on exchange	-16,705,659.50	-1,095,650.66
Discount interest	6,317,701.34	1,538,894.32
Guarantee expenses	8,016,900.00	
Handling charges and others	14,424,004.43	44,926,847.92
Total	70,024,674.60	17,908,021.84

Other notes:

66. Loss of assets impairment

In RMB

Items	Amount of this period	Amount of last period
Losses on bad debts	78,474,915.67	29,539,652.25
Losses on inventory depreciation	52,180.60	

Total	78,527,096.27	29,539,652.25
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Other notes:

67. Gains from changes in fair value

In RMB

Source of the gains from changes in fair value	Amount of this period	Amount of last period
Financial assets measured at fair value through current profit and loss		25,148.61
Total		25,148.61

Other notes:

68. Investment income

In RMB

Items	Amount of this period	Amount of last period
Hold the investment income during from available-for-sale financial assets	46,868.49	
Total	46,868.49	

Other notes:

69. Non-Operation income

In RMB

Items	Amount of current period	Amount of previous period	Recorded in the amount of the non-recurring gains and losses
Including: Gains from disposal of fixed assets	59,934.00	4,455.00	
Government Subsidy		342,246.00	
Demolition compensation	29,071,295.00		
Other	2,040.00	28,263.84	
Total	29,133,269.00	379,419.84	

Government subsidy reckoned into current gains/losses

In RMB

Items	Issuing subject	Reason	Nature	Whether the impact of subsidies on the current profit and loss	Whether special subsidies	Amount of current period	Amount of previous period	Assets-related/income-related
							342,246.00	

Total	--	--	--	--	--	342,246.00	--
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Other notes:

70. Non-operating expenses

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Total losses from disposal of non-current assets		31,839.34	
Including: losses on disposal of fixed assets		31,839.34	
Compensation for demolition and relocation	2,755,912.00		
Other		1,600.00	
Total	2,755,912.00	33,439.34	

Other notes:

71. Income tax expenses

(1) Table of income tax expenses

In RMB

Items	Amount of current period	Amount of previous period
Current income tax expenses	48,703,354.96	68,552,202.33
Deferred income tax expenses	-10,840,595.13	-7,384,913.06
Total	37,862,759.83	61,167,289.27

(2) Adjustment progress of accounting profit and income tax

In RMB

Items	Amount of current period
Total profits	239,440,408.16
Income tax expense	37,862,759.83

Other notes

72. Other comprehensive income

More details can be seen in Note.

73. Items of Cash flow statement

(1) Other cash received from business operation

In RMB

Items	Amount of current period	Amount of previous period
Interest income	1,381,804.78	617,254.61

Margin and deposit	718,703,565.11	179,701,296.90
Government grants		342,246.00
Total	720,085,369.89	180,660,797.51

Notes:

(2) Other cash paid related to operating activities

In RMB

Items	Amount of current period	Amount of previous period
Handling charges	10,189,145.12	2,780,709.64
Margin and deposit expenses	39,131,360.77	58,908,338.12
Selling expenses	871,447.72	1,620,247.76
General and administrative expenses	76,645,222.04	9,364,752.58
Current accounts	928,164,050.00	118,832,077.15
Total	1,055,001,225.65	191,506,125.25

Notes :

(3) Cash received from other operating activities

None

(4) Cash payable from other investing activities

In RMB

Items	Amount of current period	Amount of previous period
Handling charges		3,884.29
Total		3,884.29

Notes:

(5) Cash received from other investing activities

In RMB

Items	Amount of current period	Amount of previous period
Individual financing funds paid	103,516,162.13	162,063,503.00
Receipt margin		15,218,569.41
Cost of financing	22,800,000.00	
Total	561,003,771.39	177,282,072.41

Notes :

(6) Cash paid for other financing activities

In RMB

Items	Amount of current period	Amount of previous period
Note margin paid	54,000,000.00	14,945,629.92
Individual financing funds paid	484,203,771.39	35,232,882.00
Total	538,203,771.39	50,178,511.92

Notes :

74. Supplement Information for cash flow statement

(1) Supplement Information for cash flow statement

In RMB

Items	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities	--	--
Net profit	201,577,648.33	165,342,341.12
Add: Impairment loss provision of assets	78,527,096.27	29,539,652.25
Depreciation of fixed assets, oil and gas assets and consumable biological assets	1,119,746.80	1,146,313.55
Amortization of intangible assets	439,145.36	232,435.80
Amortization of Long-term deferred expenses	2,276,250.23	5,559,124.62
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets		27,384.34
Financial cost	70,024,674.60	9,637,817.15
Decrease in deferred income tax assets	-11,803,334.90	-7,384,913.06
Increased of deferred income tax liabilities	-15,444.16	
Decrease of inventories	-77,722,883.82	-1,299,687.82
Decease of operating receivables	-2,317,677,180.26	-683,739,985.10
Increased of operating Payable	773,838,322.35	279,485,944.32
Other		-42,342,300.00
Net cash flows arising from operating activities	-1,279,415,959.20	-243,795,872.83
II. Significant investment and financing activities that without cash flows:	--	--
III. Movement of cash and cash equivalents:	--	--
Ending balance of cash equivalents	611,121,476.88	161,220,606.98
Less: Beginning balance of cash equivalents	582,743,756.81	243,759,954.90
Net increase of cash and cash equivalents	611,121,476.88	-82,539,347.92

(2) Composition of cash and cash equivalents

In RMB

Items	Year-end balance	Year-beginning balance
I. Cash	567,009,471.93	582,743,756.81
Including: Cash at hand	1,339,706.04	1,349,587.20
Demand bank deposit	386,144,573.21	104,244,908.25

Demand other monetary funds	179,525,192.72	238,006,010.05
III. Balance of cash and cash equivalents at the period end	567,009,471.93	582,743,756.81

Other notes:

75. Notes on items of changes of owner's equity

Name and adjusted amount on "Other" at balance of year-end of last year:

76. Assets with ownership or right-to-use restricted

In RMB

Item	Book value as at December 31, 2015	Reason for restriction
Monetary fund	410,403,714.70	Deposit and letter of guarantee
Accounts receivable balance	1,214,497,227.15	Pledge
Total	1,624,900,941.85	--

Other notes:

77. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

Item	Balance in foreign currency as at June 30, 2016	Exchange rate	RMB amount translated as at June 30, 2015
Including: USD	5,168,928.51	6.6312	34,276,198.74
HKD	64,111.39	0.8547	54,796.01
OMR	49,576.30	1.8281	90,630.43
INR	368,616,372.61	0.0455	16,772,044.95
MOP	72,341.68	0.8329	60,253.39
PHP	10,102,444.08	0.1413	1,427,475.35
BUK	23,170,122.97	0.00566	131,142.90
MYR	934,385.85	1.6527	1,544,259.49
KWD	1,544,539.22	21.9735	33,938,932.55
Including: USD	73,329,588.87	6.6312	486,263,169.71
INR	700,449,263.53	0.0455	31,870,441.49
MOP	2,653,756.40	0.8329	2,210,313.71
KWD	28,955,403.59	21.9735	636,251,560.78
OMR	169,968,269.44	1.8281	310,718,993.36
MYR	21,483,689.85	1.6527	35,506,094.22
DZD	24,867,193.21	0.0602	1,497,005.03
Advances to suppliers			
Including: USD	1,149,893.23	6.6312	7,625,171.99

OMR	6,576,121.91	1.8281	12,021,808.46
MYR	3,854,014.63	1.6527	6,369,529.98
INR	2,803,329.71	0.0455	127,551.50
KWD	3,738,463.20	21.9735	82,147,121.13
Other receivable			
Including: USD	11,684,265.66	6.6312	77,480,702.44
HKD	135,408.00	0.8547	115,733.22
INR	17,774,389.26	0.0455	808,734.71
MYR	294,838.19	1.6527	487,279.08
PHP	116,997.00	0.1413	16,531.68
DZD	1,565,029.76	0.0602	94,214.79
BUK	26,110,932.74	0.00566	147,787.88
THB	1,022,031.04	0.1893	193,470.48
OMR	15,055,152.94	1.8281	27,522,325.09
KWD	655,443.27	21.9735	14,402,382.69
Account payable			
Including: USD	48,258,439.99	6.6312	320,011,367.26
OMR	70,125,770.93	1.8281	128,196,921.84
INR	372,263,752.01	0.0455	16,938,000.72
PHP	44,130.43	0.1413	6,235.63
MYR	1,650,796.07	1.6527	2,728,270.66
KWD	6,883,490.56	21.9735	151,254,379.82
Advances from customers			
DZD	89,827,578.85	0.0602	5,407,620.25
EUR	1,998,692.23	7.3888	14,767,937.15
Account payable			
Including: USD	78,183.29	6.6312	518,449.03
DZD	255,913.35	0.0602	15,405.98
PHP	8,447.15	0.1413	1,193.58
OMR	140,982.17	1.8281	257,729.50
INR	45,167,823.54	0.0455	2,055,135.97
HKD	35,533.62	0.8547	30,370.59
KWD	113,842.95	21.9735	2,501,528.06

Other notes:

(2) Explanation on foreign operational entity, as for major foreign operational entity, disclosed foreign main operation land, book-keeping currency and basis; and disclosed reasons if the book-keeping currency changed

√ Applicable □ Not applicable

78. Hedging

Disclose hedging items by type of hedging as well as relevant arbitrage tool, qualitative and quantitative information for arbitrage project:

79. Other**VIII. Changes of consolidation scope**

1. Enterprise consolidation not under the same control

(1) Business combinations not under common control in the reporting period

In RMB

Acquiree	Timing of acquisition of equities	Costs for acquisition of equities	Proportion of equities acquired (%)	Method of acquisition of equities	Acquisition date	Recognition basis of the acquisition date	Revenue of the acquiree from the acquisition date	Net profit of the acquiree from the acquisition date
Wuhan Commercial & Vocational Hospital Co., Ltd	June 30, 2016	97,000,000.00	100.00%	Cash purchase	2016/06/30	Complete the change of business registration in June 21, 2016 As of June 30th the proportion of payment over 50%		

Other notes:

(2) Combination cost and goodwill

In RMB

Combination cost	Wuhan Commercial & Vocational Hospital Co., Ltd
--Cash	97,000,000.00
Total of Combination cost	97,000,000.00
Amount of goodwill/combination cost less than the share of fair value of identifiable net assets acquired	27,257,314.49

Other notes:

(3) The identifiable assets and liabilities of acquiree at purchase date

In RMB

	Wuhan Commercial & Vocational Hospital Co.,Ltd	
	Fair value on the acquisition date	Book value on the acquisition date
Monetary capital	136,947,976.79	136,947,976.79
Account receivable	30,436,350.81	30,436,350.81
Inventory	3,254,649.29	3,254,649.29
Fixed assets	41,494,275.96	17,471,988.78
Intangible assets	98,167,600.00	7,153,516.99
Account payable	25,910,334.27	25,910,334.27
Net assets acquired	98,501,778.07	-16,534,592.13

Notes:

(4) The profit or loss from equity held by the date before acquisition in accordance with the fair value measured again

Whether there is a transaction that through multiple transaction step by step to realize enterprises merger and gaining the control during the Reporting Period

Yes No

(5) Note to merger could not be determined reasonable consideration or Identifiable assets, Fair value of liabilities of the acquiree at acquisition date or closing period of the merge

(6) Other notes

2. Business combination under the same control

(1) Business combination under the same control during the Reporting Period

In RMB

Combined party	Proportion of the profits	Basis	Combination date	Recognition basis of combination date	Income from the period-begin to the combination date of the combination	Net profits from the reporting period to the combination date of the combination	Income during the period of comparison	Net profits during the period of comparison

Other notes:

3. Counter purchase

Basic information of transactions, basis of transactions constituting counter purchase, whether assets and liabilities reserved by listed companies constituting business and their basis, confirmation of combined cost, the amount occurred when adjusting rights and interests in accordance with equity transaction and its calculation:

4. The disposal of subsidiary

Whether there is a single disposal of the investment to subsidiary and lost control

Yes No

Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in Reporting Period

Yes No

5. Other reasons for the changes in combination scope

None

6. Other

IX. Equity in other entity

1. Equity in the subsidiary

(1) Constitute of enterprise group

Subsidiary	Main operation	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Sino Great Wall International Engineering Co., Ltd.	Beijing	Beijing	Decoration	100.00%		Acquisition
Beijing Sino Great Wall Decoration Design Co., Ltd.	Beijing	Beijing	Design and consulting	100.00%		Establish
Suzhou Lvbang Wood Technology Co., Ltd.	Suzhou	Suzhou	Production and sales	100.00%		Establish
Herabenna Interior Design Guangzhou Co., Ltd.	Guangzhou	Guangzhou	Design	100.00%		Establish
Sino Great Wall Group Co., Limited	Hong Kong	Hong Kong	Construction, design, trade and investment	100.00%		Establish

			consulting			
Shanghai Ling Rui International Trade Company Limited	Shanghai	Shanghai	Trade	100.00%		Establish
Shenzhen Hongtulle Industrial Co., Ltd.	Shenzhen	Shenzhen	Investment, research and development and sales, trade as well as import and export	100.00%		Establish
Inrich Me Engineering Co., Limited	Hong Kong	Hong Kong	Mechanical and electrical engineering, scientific research, trade and investment consulting	100.00%		Establish
Sino Great Wall New Energy (Beijing) Co., Ltd.	Beijing	Beijing	New energy technology	100.00%		Establish
SINO GREAT WALL (PHILIPPINE S) INTERNATIONAL CORPORATION	Philippines	Philippines	Building construction and import and export trade	100.00%		Establish
SGWHPEngineeringConstructionS DN.BHD	Malaysia	Malaysia	Design and construction	100.00%		Establish
SINO GREAT WALL (USA) .INC	The United States	The United States	Commercial activities allowed by law	100.00%		Establish
Shenzhen Yatian Decoration Design Engineering Co., Ltd.	Shenzhen	Shenzhen	Design and construction	70.00%		Acquisition
Sino Great Wall International Engineering (MACAU) Co., Limited	Macao	Macao	Design and construction	96.00%	4.00%	Establish
Wuhan Commercial and Vocational Hospital Co.,Ltd	Wuhan	Wuhan		100.00%		Establish
Sino Great Wall Real Estate (Hubei) CO., LTD	Wuhan	Wuhan	real estate development	80.00%		Set Up
Luyi Shuguang	Luyi	Luyi	medical project	51.00%		Acquisition

Medical Industry Investment Construction CO., LTD			(industry) investment, consultation and service			
Wu'an Juhe Photovoltaic Power Generation CO., LTD	Wu'an	Wu'an	solar energy photovoltaic power generation project construction, operation and maintenance	100.00%		Set Up
Bozhou Guangcheng New Energy LLC	Bozhou	Bozhou	solar energy photovoltaic power generation project construction, operation and maintenance	100.00%		Set Up
Qian'an Sino Solar Energy Generation CO., LTD	Qian'an	Qian'an	solar energy photovoltaic power generation project construction, operation and maintenance	100.00%		Set Up
Sino Great Wall (Beijing) Investment Fund Management CO., LTD	Beijing	Beijing	asset management investment, economic and trade consultation	100.00%		Set up
SINO GREAT WALL INTERNATIONAL ENGINEERING(CNMI) CO.,LTD.	Saipan	Saipan	commercial activity allowed by law	100.00%		Set Up
Sino Heji Environmental	Suzhou	Suzhou	environment protection	80%		Set Up

Protection Material CO., LTD			material research and development, production and sales			
PT.SINO GREAT WALL INVESTMENT INDONESIA	Indonesia	Indonesia	Construction, real estate investment, infrastructure investment, etc.	99.90%		Set Up
PT.SINO GREAT WALL CONSTRUCTION INDONESIA	Indonesia	Indonesia	Construction	67%		Set Up

Notes: holding proportion in subsidiary different from voting proportion:

Basis of holding half or less voting rights but still been controlled investee and holding more than half of the voting rights not been controlled investee:

Significant structure entities and controlling basis in the scope of combination:

Basis of determine whether the Company is the agent or the principal:

Other notes:

In July, 2016, SGW complete acquisition of Luyi Shuguang Medical Industry Investment Construction CO., LTD , but not including in the consolidation scope of current period.

(2) Significant not wholly owned subsidiary

Notes

Name of the subsidiaries	Share portion of minor shareholders	Gains/loss of the period attributable to minor shareholders	Dividend announced in the period to minor shareholders	Balance of equity of minor shareholders at end of period

Other notes:

(3) Material financial information of major non-fully-owned subsidiaries

None

(4) Significant restrictions of using enterprise group assets and pay off enterprise group debt

(5) Provide financial support or other support for structure entities incorporate into the scope of consolidated financial statements

Other notes:

2. Changes in the owner's equity share of the subsidiary and the transaction is still controlled subsidiary

(1) Note to owner's equity share changed in subsidiary

(2) The transaction's influence to equity of minority shareholders and attributable to the owner's equity of the parent company

None

3. Equity in arrangement of joint venture or associated enterprises

None

4. Important common management

None

5. Equity in structured entities not included in the consolidated financial statements

Note of structured entities not included in the consolidated financial statements:

6. Other

X. The risk associated with financial instruments

XI. The disclosure of the fair value

1. Closing fair value of assets and liabilities calculated by fair value

None

2. Sustained and non-sustained first-level fair value measurement project price determinations is to acquire identical assets on measurement date or the unadjusted quoted of liabilities in active markets.

3. Sustained and non-sustained second-level fair value measurement project, adopted valuation techniques and significant parameters qualitative and quantitative information can be the directly or indirectly observable of related assets or liabilities except first-level observables.

4. Sustained and non-sustained third-level fair value measurement project, adopted valuation techniques and significant parameters qualitative and quantitative information can be the unobservable inputs of related assets or liabilities.

5. The adjustment information about book value between the beginning and the end of the period and the unobservable parameter sensitivity analysis of the sustained third-level fair value measurement projects
6. The sustained third-level fair value measurement projects that conversion has occurred among various levels in the current period, the reasons for change and the policy determining the conversion point
7. Valuation techniques change occurred during the current period and the reasons for change
8. The fair value situations of the financial assets and financial liabilities not measured by the fair value
9. Other

XII. Related parties and related-party transactions

1. Parent company information of the enterprise

Name	Amount of shares held	Shareholding ratio in the company(%)	Voting ratio in the company(%)
Chen Lve	582,944,556	34.33	34.33

2. Subsidiaries of the Company

See Note to subsidiaries of the Company.

3. Information on the joint ventures and associated enterprises of the Company

None

4. Other Related parties information

Other related party	Relationship to the Company
He Sen	Brother-in-law of the shareholder and actual controller of the Company
He Feiyan	Wife of the shareholder and actual controller of the Company
Li Erlong etc.	Directors, supervisors and senior officers of the Company
Qinghai Heyi Commercial Co., Ltd.	Enterprise controlled by Wang Lei, the director of the Company
Qinghai Heyi Mining Co., Ltd.	Enterprise controlled by Wang Lei, the director of the Company
Kunwu Jiuding Investment Holdings Co., Ltd. and its related parties	Shareholder of the Company holding more than 5% shares, under the common control with the Company
Beijing Baolilai Technology Co., Ltd.	Wholly-owned subsidiary of the company in which the director of the Company acts as a director

Other notes

5. Related party transactions

(1) Purchase or sale of goods, and rendering or receipt of labor services

Table of purchase of goods and receipt of labor services

In RMB

Related parties	Content	Reporting period	Trading limit	Over the	Prior period
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			approved	trading limit or not	
Qinghai Heyi Commercial Co., Ltd.	Material fund	21,340,600.00	60,000,000.00	No	1,750,600.00

Table of sales of goods and rendering of services

In RMB

Related parties	Subjects of the related transactions	Current term	Same period of last term
Kunwu Jiuding Investment Holdings Co., Ltd. and its related parties	Funds for decoration projects	257,000.00	
Beijing Baolilai Technology Co., Ltd.	Funds for decoration projects	198,000.00	5,800,000.00

Notes

(2) Related trusteeship/contract

(3) Information of related lease

(4) Related-party guarantee

The Company was guarantor

In RMB

Secured party	Guarantee amount	Start date	End date	Execution accomplished or not
Chen Lve, He Feiyan	12,000.00	2016/01/13	2017/01/13	No
Chen Lve	10,000.00	2016/01/13	2017/01/12	No
Chen Lve	20,000.00	2016/01/21	2017/01/20	No
Chen Lve	10,000.00	2016/04/26	2017/04/26	No
Chen Lve, He Feiyan	10,000.00	2016/04/26	2017/04/25	No
Chen Lve, He Feiyan	20,000.00	2016/04/19	2018/04/18	No
Chen Lve	15,000.00	2016/06/21	2017/06/20	No
Chen Lve, Sino Great Wall Investment (Beijing) Co., Ltd., He Feiyan	40,000.00	2016/06/28	2018/06/27	No
Chen Lve, He Feiyan	2,000.00	2015/09/29	2016/09/29	No
Chen Lve	2,000.00	2015/11/17	2016/11/16	No
Chen Lve, He Feiyan	5,000.00	2015/12/16	2016/12/15	No
Chen Lve, He Feiyan	3,000.00	2016/03/25	2017/03/25	No
Chen Lve	10,000.00	2016/04/08	2017/04/08	No
Qinghai Heyi Commercial Co., Ltd., Chen Lve	10,000.00	2016/04/27	2017/04/27	No
Chen Lve	550.00	2015/02/11	2018/02/11	No

Chen Lve	550.00	2015/02/11	2018/02/11	No
Chen Lve	550.00	2015/07/28	2018/07/28	No
Chen Lve	550.00	2015/07/28	2018/07/28	No
Chen Lve	1,200.00	2016/01/13	2018/01/13	No
Chen Lve	1,200.00	2016/03/27	2018/03/27	No
Chen Lve	1,200.00	2016/03/27	2018/03/27	No
Chen Lve	5,000.00	2016/01/29	2016/07/28	No
Chen Lve	3,000.00	2016/03/04	2016/09/03	No

Notes

(5) Inter-bank lending of capital of related parties:

In RMB

Related parties	Amount	Start date	End date	Notes
Borrowing				
Chen Lue	93,855,000.00	2016/01/01	2016/06/30	
Xian Zhijuan	15,000,000.00	2016/01/01	2016/06/30	
Lendings				

(6) Related party asset transfer and debt restructuring

(7) Rewards for the key management personnel

In RMB

Items	Current term	Same period of last term
Remunerations of key managements	747,550	747,550

(8) Other related-party transactions

6. Receivables and payables of related parties

(1) Receivables

In RMB

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Account receivable	Kunwu Jiuding Investment Holdings Co., Ltd. and its related parties	2,549,331.88	242,083.52	2,500,737.20	125,036.86
	Beijing Baolilai Technology Co., Ltd.			2,816,000.00	140,800.00
Advances to suppliers	Qinghai Heyi Commercial Co., Ltd.			18,902,151.50	

(2) Payables

In RMB

Name	Related party	Closing book balance	Opening book valance
Account payable	Qinghai Heyi Commercial Co., Ltd.		1,750,581.64
Other account payable	Qinghai Heyi Commercial Co., Ltd.	0.00	2,999,209.78

7. Related party commitment

8. Other

XIII. Stock payment

1. The Stock payment overall situation

Applicable Not applicable

2. The Stock payment settled by equity

Applicable Not applicable

3. The Stock payment settled by cash

Applicable Not applicable

4. Modification and termination of the stock payment

None

5. Other

XIV. Commitments

1. Importance commitment events

Important commitments of existence of balance sheet date

As of June 30, 2016, The Company has no need to be disclosed commitment events

2. Contingency

(1) Significant contingency at balance sheet date

Contingent liabilities arising from pending litigation or arbitration and financial impacts thereof

(1) Construction contract dispute case with Langfang Aomei Jiye Real Estate Development Co., Ltd.

On July 5, 2012, Langfang Aomei Jiye Real Estate Development Co., Ltd. submitted a civil case to the People's Court of Langfang Economic and Technological Development Zone, claiming for terminating the Agreement on Exterior Decoration Project for Shilangfang, Jinrong Street, Langhefang signed with the Company.

On May 29, 2013, Langfang Aomei Jiye Real Estate Development Co., Ltd. further claimed to the People's Court of Langfang Economic and Technological Development Zone for ordering the Company to pay renovation costs of RMB 1,616,354.00 caused by poor construction quality and losses on removed main materials of RMB 1,714,131.45.

On April 2, 2014, the People's Court of Langfang Economic and Technological Development Zone adjudged in the Civil Judgment ([2012] L.K.M.C.Z. No.908) that Langfang Aomei Jiye Real Estate Development Co., Ltd. shall pay funds for the project of RMB 1,915,487.91 to the Company and the Company shall pay renovation costs and losses on main materials of RMB 2,540,572.32 to Langfang Aomei Jiye Real Estate Development Co., Ltd..

On May 28, 2014, the Company appealed to the People's Court of Langfang Economic and Technological Development Zone. At present, the case is still pending.

(2) Project construction contract dispute case with Yu Jiaqiang

On April 21, 2014, Yu Jiaqiang submitted a civil case to the People's Court of Shijingshan District, Beijing, claiming for ordering Beijing Tongrun Jingyuan Real Estate Development Co., Ltd., China Xin Xing Bao Xin Construction Company and Sino Great Wall Decoration Engineering Co., Ltd. to pay funds for project in arrears of about RMB 2 million and pay legal fares. At present, the case is still pending.

(3) Processing contract dispute case with Beijing Qianzhaofeng Stone Co., Ltd.

On April 12, 2015, Beijing Qianzhaofeng Stone Co., Ltd. submitted a civil case to the People's Court of Tongzhou District, Beijing, claiming for ordering the Company to pay to Beijing Qianzhaofeng Stone Co., Ltd. funds for stone in arrears, processing charges and interest. At present, the case is still pending.

(4) Sales contract dispute case with Beijing China Arts Panuo Display Art Development Co., Ltd.

On May 27, 2015, Beijing China Arts Panuo Display Art Development Co., Ltd. applied to Beijing Arbitration Commission for an arbitration, requesting the Company to pay to Beijing China Arts Panuo Display Art Development Co., Ltd. funds for furniture and the interest thereon, and to undertake all arbitration fees and security fees. At present, the case is still waiting for arbitration.

(5) Sales contract dispute case with Tang Art Furniture Co., Ltd.

On November 2, 2015, Tang Art Furniture Co., Ltd. submitted a civil case to the People's Court of Yinhai District, the Guangxi Zhuang Autonomous Region, claiming for ordering the Company to pay to Tang Art Furniture Co., Ltd. funds for goods and liquidated damages and claiming for ordering Beihai Jinchang Real Estate Development Co., Ltd. to pay the debts on behalf of the Company. The Company and Beihai Jinchang Real Estate Development Co., Ltd. were required to pay all legal costs. At present, the case is still pending.

(6) Sales contract dispute case with Beijing Yazhilv Commercial Co., Ltd.

On February 29, 2016, Beijing Yazhilv Commercial Co., Ltd. submitted a civil case to the People's Court of Tongzhou District, Beijing, claiming for ordering the Company to repay to Beijing Yazhilv Commercial Co., Ltd. arrears and liquidated damages for late payment and bear legal fees. At present, the case has not been heard yet.

(7) Construction contract dispute case with Shanxi Tianyuan Chenghui Investment Group Co., Ltd.

On November 17, 2014, the Company submitted a civil case to the Intermediate People's Court of Changzhi City, Shanxi, claiming for ordering Shanxi Tianyuan Chenghui Investment Group Co., Ltd. to pay to the Company funds for projects and liquidated damages for late payment and bear the legal fees. At present, the case is still pending.

(2) The Company have no significant contingency to disclose, also should be stated

There was no significant contingency in the Company.

3.Other

XV. Events after balance sheet date

1. Significant events had not adjusted

On July 7, 2016, the Proposal of the Company Meeting the Conditions of Non-public A-share Issuance and so forth proposals were examined and approved in the 10th board meeting of the 7th session board of directors. In order to improve the company's capital structure, enhance the capital strength and improve the company's solvency and profitability, the company planned to non-publicly issue no more than 240,153,697 A-shares (hereinafter referred to as "this issuance" or "this non-public issuance") to specific objects, which shall raise no more than RMB 2,500,000,000. After deducting the share-issuing expenses, the net raised funds shall be used for supplementing the liquidity and repaying the bank loans.

On July 25, 2016, the Proposal of the Company Meeting the Conditions of Non-public A-share Issuance and so forth proposals were examined and approved in the 2016 second extraordinary general shareholder meeting. At present, the company has completed the preparation work of the application documents for the company's non-public A-share issuance.

2.Profit distribution

3.Sales return

4. Notes of other significant events

XVI. Other significant events

1. The accounting errors correction in previous period

2. Debt restructuring

3. Replacement of assets

(1) Non-monetary assets exchange

(2) Other assets replacement

4. Pension plan

5. Discontinuing operation

6. Segment information

7. Other important transactions and events have an impact on investors decision-making

8.Other

XVII. Notes s of main items in financial reports of parent company

1.Account receivable

(1) Account receivable

In RMB

Category	Year-end balance					Year-beginning balance				
	Book Balance		Provision for bad debts		Book value	Book Balance		Provision for bad debts		Book value
	Amount	Proportion%	Amount	Proportion%		Amount	Proportion%	Amount	Proportion%	
Account receivable with significant specific amount that were provisioned had debt						30,614.00	100.00%	1,530.70	5.00%	29,083.30

preparation separately										
Total						30,614.00		1,530.70		29,083.30

Receivable accounts with large amount individually and bad debt provisions were provided

Applicable not Applicable

Using age methods to provision for bad debts of account receivable in group:

Applicable not Applicable

Using percentage balance method of provision for bad debts of account receivable in group:

Applicable not Applicable

Using other methods to provision for bad debts of account receivable in group:

(2) Accounts receivable withdraw, reversed or collected during the Reporting Period

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB0.00; the amount of the reversed or collected part during the Reporting Period was of RMB1,530.70.

(3) Particulars of the actual verification of accounts receivable during the Reporting Period

(4) Top five of account receivable of closing balance collected by arrears party

(5) Derecogniziton of account receivable due to the transfer of financial assets

(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable

Other notes:

2. Other receivable

(1) Other receivable

In RMB

Category	Year-end balance					Year-beginning				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other Receivables provided bad debt provision in credit risk groups	1,304,458,764.96				1,304,458,764.96					
Total	1,304,458,764.96				1,304,458,764.96					

Other Receivable accounts with large amount individually and bad debt provisions were provided

Applicable not Applicable

Using age methods to provision for bad debts of account receivable in group:

Applicable not Applicable

Using percentage balance method of provision for bad debts of account receivable in group:

Applicable not Applicable

Using other methods to provision for bad debts of account receivable in group:

Applicable not Applicable

(2) Accrual period, recovery or reversal of bad debts situation

The current amount of provision for bad debts is RMB 0.00; recovery or payback for bad debts Amount is RMB 0.00.

Where the current bad debts back or recover significant amounts:

(3) Particulars of the actual verification of other accounts receivable during the Reporting Period

(4) Other account receivable classified by account nature

In RMB

Nature	Book balance at year end	Book balance at year beginning
Current account	1,299,197,909.13	0
Petty cash	3,023,431.53	0
Deposit	237,424.30	0
Cash deposit	2,000,000.00	
Total	1,304,458,764.96	0

(5) The top five other account receivable classified by debtor at period-end

(6) Account receivable involving government subsidies

(7) Other account receivable derecognized due to the transfer of financial assets

(8) Amount of transfer other account receivable and assets and liabilities formed by its continuous involvement

Other notes:

3. Long-term equity investments

In RMB

Items	Amount at year end			Amount at year beginning		
	Book balance	Bad debts	Book value	Book balance	Bad debts	Book value
The investment in subsidiaries	3,176,451,536.66	0.00	3,176,451,536.66	3,079,451,536.66	0.00	3,079,451,536.66
Total	3,176,451,536.66	0.00	3,176,451,536.66	3,079,451,536.66	0.00	3,079,451,536.66

(1) The investment in subsidiaries

In RMB

Name	Amount at year beginning	Increase in the current period	Decrease in the current period	Amount at year end	The current provision for impairment	The end balance impairment
Wuhan Commercial & Vocational Hospital Co.,Ltd	0.00	97,000,000.00		97,000,000.00		
Sino Great Wall International Engineering Co., Ltd.	3,079,451,536.66			3,079,451,536.66		
Total	3,079,451,536.66	97,000,000.00		3,176,451,536.66		0.00

(2) Other notes

4. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Business income	Business cost	Business income	Business cost
Main operations			1,917,380.00	168,586.00
Other operations	115,940.34			
Total	115,940.34		1,917,380.00	168,586.00

Other notes:

5. Investment income

None

.6. Other

XVIII. Supplement information

1. Particulars about current non-recurring gains and loss

√Applicable Not applicable

In RMB

Items	Amount	Notes
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	46,868.49	Proceeds from the sales of bank financial products
Other non-operating income and expenditure except for	26,315,383.00	According to the Land Transfer (Expropriation)

the aforementioned items		Compensation Agreement of Shenzhen Dapeng New District People's Hospital Construction Project, the compensation shall be made for the expropriation of the land and on-ground buildings in Kuixin community which belongs to the company's Kuiyong branch located in Shenzhen Dapeng New district.
Total	26,362,251.49	--

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

2 Return on net assets and earnings per share

Profit of the report period	Return on net assets . Weighted (%)	Earnings per share (RMB)	
		Basic earnings per share	Diluted gains per share
Net profit attributable to the Common stock shareholders of Company.	14.00%	0.12	0.12
Net profit attributable to the Common stock shareholders of Company after deducting of non-recurring gain/loss.	12.20%	0.1	0.1

3.The differences between domestic and international accounting standards

(1) Differences between the net profit and net asset in the financial reports prepared under IAS and Chinese Accounting Standard

Applicable Not applicable

(2) Differences between the net profit and net asset in the financial reports prepared under IAS and Chinese Accounting Standard

Applicable Not applicable

(3) Explain reasons for the differences between accounting data under domestic and overseas accounting standards, for audit data adjusting differences had been foreign audited, should indicate the name of the foreign institutions

4.Other

X. Documents available for inspection

1. Text of financial statement with signature and seals of legal person, person in charge of accounting works and person in charge of accounting institution.
2. Original and official copies of all documents which have been disclosed on Securities Times and Hong Kong Commercial Daily in the report period.

English translation for reference Only Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Sino Great Wall Co., Ltd.
August 25, 2016