

Stock code: 000018 , 200018

Stock ID : Sino Great Wall , Sino B

Announcement No. 2016-

## Summary of 2016 Annual Report of Sino Great Wall Co., Ltd.

### 1 Important notes

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

#### Company Profile

Stock abbreviation	Sino Great Wall , Sino-B	Stock code:	000018、200018
Stock exchange for listing	Shenzhen Stock Exchange		
Contact person and contact manner	Board secretary	Securities affairs Representative	
Name	Yang Chunling	Liu Guofa	
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### II. Financial data and change of shareholders.

#### (1) Financial data

Does the company adjust retrospectively or restate accounting data of previous years due to change of the accounting policy or correction of any accounting error?

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%
Net assets attributable to shareholders of the listed company (RMB)	1,514,525,228.17	1,282,256,738.74	18.11%

## (2) Statement of shares held by top 10 shareholders

In shares

Total Number of common shareholders at the end of the reporting period		54,275				
Shareholdings of the top 10 common shareholders						
Name of the shareholder	Properties of shareholder	Share proportion %	Total shares	Conditional shares	Frozen or pledged	
					Status of shares	Amount
Chen Lve	Domestic Natural person	34.33%	582,944,556	582,109,696	Mortgage	431,760,594
Union Holdings Co., Ltd.	Domestic Non-State-owned legal person	6.79%	115,295,921	0		
STYLE-SUCCESS LIMITED	Foreign legal person	5.47%	92,970,910	0		
Shanghai Financial Development Investment Fund(LP)	Domestic Non-State-owned legal person	4.49%	76,300,504	76,300,504		
He Feiyan	Domestic Natural person	3.23%	54,800,458	54,800,458		
Jiutai Fund—Bank of Communications—Jiutai Huitong No.2 specific customer asset management pla	Other	2.50%	42,479,672	42,479,672		
Wuxi Hengtai Jiuding Assets Management Centre (LP)	Domestic Non-legal person State-owned legal person	2.26%	38,330,615	38,330,615		
Foshan Haihui Heying Venture Investment Partnership(Limited Partnership)	Domestic Non-legal person State-owned legal person	2.25%	38,150,252	38,150,252		
Jiangxi Taihao Venture Investment Centre(LP)	Domestic Non-legal person State-owned legal person	1.87%	31,791,879	31,791,879		
Yantai Zhaoxuan Yuantai Jiuding Venture Investment Centre(LP)	Domestic Non-legal person State-owned legal person	1.87%	31,742,745	31,742,745		
Explanation on associated relationship among the aforesaid 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; Union Development Group Ltd. is the controlling shareholder of the above-mentioned shareholder Shenzhen Union Holdings Ltd. and third shareholder Rich Crown Investment Co., Ltd. The other tradable shareholders neither knew whether there exists associated relationship between them.					
Notes to the shareholders involved in financing securities (if any)	None					

## (3) The top 10 preference share holders

Applicable  Not applicable

The controlling no preference shareholders of the Company in the report period.

## (4) Changing of controlling shareholder and practical controller of the Company.

Change of holding shareholder

Applicable  Not applicable

No change of holding shareholder in the report period.

Change of substantial controller

Applicable  Not applicable

No change of substantial controller in the report period.

**III. Discussion and analysis by the management**

## 1. Business highlights

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.

## (2) 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%	

## (3) 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 (%)
<b>Industry</b>						
Decoration works	514,581,944.96	430,177,995.85	16.40%	-63.02%	-63.21%	0.42%
Engineering design	2,861,377.29	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%
<b>Product</b>						
None						
<b>Area</b>						
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. Matters related to financial reporting**

(1) Explain change of the accounting policies, accounting estimates and measurement methods as compared with the financial reporting of last year.

Applicable  Not applicable

The accounting policies, accounting estimates or measurement methods did not change in the reporting period.

(2) Explain retrospective restatement due to correction of significant accounting errors in the reporting period.

Applicable  Not applicable

No correction of significant accounting errors in the reporting period.

(3) Explain change of the consolidation scope as compared with the financial reporting of last year.

Applicable  Not applicable

In June 2016, the alteration of business registration of Wuhan Commercial & Vocational Hospital Co.,Ltd which was purchased by the company and becoming a wholly-owned subsidiary of the company was completed. Therefore, the company shall incorporate it into the 2016 semi-annual consolidated statements.

(4)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