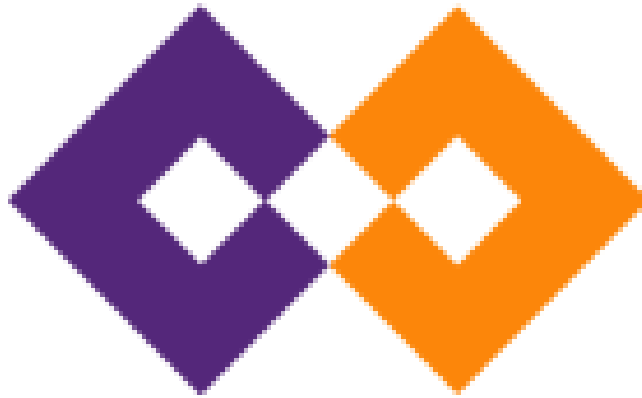


**Sino Great Wall Co., Ltd.**  
**The Semi-annual Report 2017**



**August 2017**

## **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.

Mr.Chen Lue , The Company leader, Mr. Tang Xianyong, Chief financial officer and the Mr. Tang Xianyong, 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.

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.

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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, 2017 to June 30, 2017
Wuhan Commercial worker Hospital	Refers to	Wuhan Commercial worker Hospital Co., Ltd.

## II. Corporate Profile and Key Financial Indicators

### 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 Lue		

### 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

### III. Other information

#### (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 2016 Annual Report.

### IV. Summary of Accounting Data and Financial Indicators

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

Yes  No

	Reporting period	Same period of last year	YoY+/- (%)
Operating income (RMB)	3,025,082,356.80	1,953,574,755.51	54.85%
Net profit attributable to the shareholders of the listed company (RMB)	268,606,450.03	202,299,416.64	32.78%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	264,902,836.16	175,937,165.15	50.57%
Cash flow generated by business operation, net (RMB)	-535,997,580.19	-1,256,615,959.20	57.35%
Basic earning per share(RMB/Share)	0.16	0.12	33.33%
Diluted gains per share(RMB/Share)(RMB/Share)	0.16	0.12	33.33%
Weighted average ROE(%)	14.39%	14.47%	-0.08%
	As at the end of the reporting period	As at the end of last year	YoY+/- (%)
Gross assets (RMB)	9,516,720,434.55	7,986,178,961.63	19.16%
Shareholders' equity attributable to shareholders of the listed company (RMB)	1,956,577,635.45	1,777,948,117.49	10.05%

## V. 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

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

Applicable  Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either foreign accounting rules or Chinese GAAP(Generally Accepted Accounting Principles) in the period.

3.Note to the Difference in the Accounting Data based on the Accounting Standards of CAS and IAS.

Applicable  Not applicable

**VI. Items and amount of non-current gains and losses**√Applicable Not applicable

In RMB

Items	Amount	Notes
Government subsidy recognized in current gain and loss (excluding those closely related to the Company's business and granted under the state's policies)	60,363.52	
Non-operating income and expense other than the above	4,291,138.93	
Less: Amount of influence of income tax	647,888.58	
Total	3,703,613.87	--

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.

### III. Business Profile

#### I .Main Business the Company is Engaged in During the Report Period

Whether the company needs to comply with the disclosure requirements of the particular industry

Yes

Civil Engineering Construction

Sino Great Wall's main business has two aspects: the first is construction of engineering projects, and the second is medical & health industry investment and management. The business of construction of engineering projects mainly includes international and domestic large-scale project contracting, with the international business mainly centering on the countries and regions along "One Belt, One Road", and currently, the international business covers many countries and regions such as the Middle East, Southeast Asia and Africa. The Business scope covers building project, infrastructure project, commercial complex project etc. For the domestic business, with the company's continuous improvement of construction qualifications, the company's construction income in PPP projects, building construction, municipal Engineering, infrastructure and new energy field has gradually took the dominant position, while the proportion of income of pure decoration business slightly decreased. The medical & health industry investment and management mainly adopts a number of ways such as the acquisition of the existing hospital, the construction of the new hospital and operating hospital PPP project to enter the operation and management of medical & health industry, thus to achieve the development of both the construction business and the medical & health business.

Currently, the company's construction qualifications include: first-class qualification as general contractor of housing & construction project, first-class qualification as specialized contractor of architectural decoration engineering design and construction, first-class qualification as specialized contractor of building curtain wall engineering, first-class qualification as specialized contractor of ground foundation engineering, first-class qualification as specialized contractor of firefighting facilities engineering, first-class qualification as specialized contractor of waterproof anti-corrosion insulation engineering, second-class qualification as general contractor of mechanical and electrical engineering construction, second-class qualification as specialized contractor of bridge construction, second-class qualification as general contractor of petrochemical engineering construction, second-class qualification as general contractor of municipal public engineering construction, second-class qualification as specialized contractor of tunnel construction, second-class qualification as specialized contractor of fabrication and installation of hydraulic metal structure, second-class qualification as general contractor of water conservancy and hydropower project construction, third-class qualification as general contractor of railway engineering construction, second-class qualification as general contractor of metallurgical engineering construction, qualification regardless of grades as specialized contractor of special engineering, third-class qualification as specialized contractor of highway pavement engineering, third-class qualification as specialized contractor of highway subgrade engineering etc. The scope covers the engineering qualifications of building, highway, railway, municipal utilities, water conservancy and hydropower, petrochemical, electric power and other types of engineering.

For the international business, as of the end of the reporting period, the bid-winning but not yet completed orders have amounted to more than RMB 40 billion, showing a good business development. For the domestic business, the company, through introducing the management pundits and technical experts of fields such as medical-care and architecture, constructed a competitive business team with the senior talented personnel, and sped up the national business layout of PPP business. Since 2016, the company has won a number of health-care PPP projects and infrastructure PPP projects, which would provide a good project support for the company's



future business performance.

## II. Major Changes in Main Assets

### 1. Major Changes in Main Assets

Main assets	Major changes
Equity assets	There is no change in equity assets.
Fixed assets	Fixed assets increased by 0.89% year on year. the change is subtle.
Intangible assets	Intangible assets decreased by 2.99% year on year, the change is subtle.
Construction in process	Construction in progress increased of 3,788,297.42 yuan at the beginning of the period . Mainly due to the current Suzhou plant fire construction and overseas project tower crane installation.

### 2. Main Conditions of Overseas Assets

Applicable  Not applicable

## III. Analysis On core Competitiveness

Whether the company needs to comply with the disclosure requirements of the particular industry

Yes

### Civil Engineering Construction

Sino Great Wall Co.,Ltd is a leading construction & engineering contractor in China with business covers various types construction & engineering contracting. The implementation of the National Strategy of “One Belt, One Road” will provide a good opportunity for the company's overseas business development. The company continues to increase efforts to open up overseas markets, thus the overseas project orders have maintained a rapid annual growth rate. With the continuous improvement of relevant construction qualifications, the company’s domestic business also will have a lot of good opportunities as the country has been continuously promoted PPP projects. The company's comprehensive strength, overseas influence and market competitiveness have increased year by year.

#### 1. Strategic positioning advantage

The “Construction & Engineering contracting” and “Medical & Health Business” will be the company’s two strategic directions for future development. In 2013, the company set up the development goal “Making bigger and stronger overseas business, and to become the world's leading international comprehensive construction & building service provider”. In 2015, the company set up the “Medical & Health business” as another essential development direction. All of those are to comprehensively cater the needs of the national strategies of “One Belt, One Road” and “Medical & Health Industry Development”. The good prospects of “One Belt, One Road” projects and “Medical & Health Industry” will provide a broad market space for the company’s business development. In terms of engineering contracting, the early-development advantage of overseas business enables the company to have rich management experiences and high-quality customers and establish talented teams, thus laid a solid

foundation for the company's overseas business development. In terms of the Medical & Health business, the company has set up project teams in many domestic places such as Sichuan, Henan and Hubei, and the company has purchased Wuhan Commercial and Vocational Hospital Co.,Ltd and won the bids of many medical and health PPP projects. Also, the company has established cooperative relationships with many hospitals and has recruited many kinds of talents in terms of medical, hospital management, investment and financing etc, thus provided a strong support for the Medical & Health business development.

## 2. Standardized and high-efficient management system, fully market-oriented operation mechanism

With the increasingly expanding of the company scale and business scope, the management for the company is becoming more complex. However, the company timely set up the sound management system and the authorization system to standardize the approval procedures, reduce the management hierarchy tiers and improve the work efficiency and execution, thus ensured the efficient operation of the company's business operation. For the operation mechanism, the company bravely faces the fierce competition in the market, adheres to the market-oriented development, respects the objective laws of the market and constantly improves its management level, thus to timely response to changes in the market and continuously improve the company's market image, construction quality and profitability.

## 3. Integrated design and construction advantages

The company has a wide range, high-ranking construction qualifications, and the company has integrated design and construction experiences and good project management capabilities, so the company is able to provide integrated design and construction services in terms of civil engineering, decoration, mechanical and electrical installation and full industry chain of curtain wall, and the company can independently complete the whole process of construction project. The company can form a comprehensive advantage in the field of building engineering, so it can reasonably schedule the procurement, labor use and construction plan, as well as the company can constantly optimize the process to reduce the project costs. The company's excellent design ability, sound construction quality, high-efficient construction planning and the comprehensive high-quality service greatly enhanced the customers' satisfaction.

## 4. Costs advantages and quality-control advantages

The core management staff of the company all have more than 10 years experiences of building and engineering construction. Upon the deep understanding of the industry, the company established a relatively perfect material procurement, labor management and quality control system. Through the price ceiling mode for procurement, the company screens the suppliers in the early stage of a project, thus to ensure that the procurement costs of the project materials would be in a reasonable scope. By locking the technical requirements and time requirements of the project, the company can lock the labor costs. The company has set up strict quality-control system for the design drawing, raw material procurement and each aspect of the project construction management, thus to strictly ensure the project construction quality, so the company has won good reputation and got trust and recognition by a great number of customers.

## 5. Talent advantage

The company's core management team staff has many years of experience in construction work and has strong business ability and rich experience, with strong management ability and technological level. The company always adheres to the talent concept of "Employees are the most valuable wealth of the company", and an active and positive management team is the cornerstone of the company's stable, healthy and sustainable development.

## IV. Performance Discussion and Analysis

### I .General

In the first half of 2017, along with the continuous implementation and further promotion of the three strategies of the "One belt, one road" construction and the Integrated development of Beijing, Tianjin municipalities and Hebei Province and The Yangtze River economic belt development, the infrastructure construction and the engineering construction enjoys a relatively good development opportunity. The company actively seized the opportunity and strongly expanded the overseas project contracting and investment business of "One belt, one road" projects, increased the domestic healthcare and infrastructure PPP project investment, thus gained good results.

In terms of the overseas business development, the company has successively signed the major construction contract with a number of countries and regions in Southeast Asia, signed Strategic Cooperation Framework Agreement with China Nuclear Industry No. 22 Construction Co., Ltd, signed Memorandum of Understanding on the Construction of Kampuchea Railway Network with Kampuchea Royal Group and China Railway 17 Bureau Group Co Ltd, thus those would be conducive to expand the domestic and international engineering contracting business and to enhance the company's competitive advantage and overall profitability. The overseas business development maintained a good momentum of development. As of the end of the reporting period, the overseas in-hand orders have amounted to more than RMB 40 billion. In the field of medical investment, the company, by the means of PPP, won the PPP infrastructure project of Fugou County high speed rail area, the comprehensive management (adjusted) PPP engineering project of Fugou county urban section, the fitness center construction project (Phase II) ) of Fugou County, etc, with that the total investment amounted to RMB 1.061 billion.

In the future, based on the study and judgment of the prospect and the status-quo analysis of the domestic and international construction market and the health care industry and the infrastructure industry, the company will continue to strengthen the overseas project contracting and investment related to "One belt, one road", enhance the investment in domestic health-care and infrastructure PPP business, and ensure the rapid development of the company's existing business.

Furthermore, in order to ensure the stable development of domestic business, the company responded to the national call of establishment the Xiongan New Area. For supporting the construction of Xiongan New Area, the company planned to put the registration addresses of the company's subordinate companies including the building construction type company-Sino Great Wall International Engineering Co., Ltd and Sino Great Wall Southwest Construction Engineering Co. Ltd into the Xiongan New Area. After the move of the registration addresses, the company can better carry out the business in the region, which is in line with the company's overall development strategy.

In the report term, the company realized operation income of RMB 3,025,082,356.80, an increase of 54.85% from the last year; realized the operating profits of RMB 331,347,066.35, an increase of 55.52% from the last year; and the net profit attributable to the parent company was RMB 268,606,450.03, an increase of 32.78% from the last year.

### II .Main business analysis

Refer to relevant contents of "1.Summarization" in "Discussion and Analysis of Management".

Changes in the financial data

In RMB

	Reporting period	Same period of last year	YoY+/- (%)	Reason for change
Operating revenues	3,025,082,356.80	1,953,574,755.51	54.85%	Overseas projects increased, domestic PPP and general contracting projects increased.
Operating costs	2,319,598,615.76	1,460,727,131.33	58.80%	Due to increased income
Selling expense	18,094,586.39	9,259,264.24	95.42%	Due to increased business scale increases the cost of maintenance.
Administrative expense	125,176,758.15	112,993,754.29	10.78%	Due to business development.
Finance costs	139,811,809.59	70,024,674.60	99.66%	Due to increased short-term borrowings.
Income taxes	56,227,138.25	37,862,759.83	48.50%	Due to increased profits.
R &D 入	91,252,470.70	64,858,681.88	40.69%	This year to increase R & D investment.
Net cash generate by operating activities	-535,997,580.19	-1,256,615,959.20	57.35%	Mainly the current period the payment collection is better, more than the previous year growth.
Net cash generated by investing activities	-265,219,280.44	-100,287,677.86	-164.46%	Mainly due to investment in PPP project company.
Net cash generated by financing activities	1,308,613,716.28	1,383,660,404.96	-5.42%	Due to the current return of borrowing.
Net increase in cash and cash equivalents	502,768,417.94	28,377,720.07	1,671.70%	Mainly due to the increase in the net flow of operating activities.
Prepayments	187,002,578.78	319,206,798.63	-41.42%	Mainly due to the normal implementation of the procurement contracts and part of the advance payment turning into the costs
Other account receivable	923,145,857.89	651,012,132.91	41.80%	Mainly due to increase of paid deposit for bid and contract performance for undertaking the large-scale projects
Other non-current asset	365,192,873.00	116,902,258.30	212.39%	Mainly due to the investment in the establishment of PPP project company
Short-term loans	2,750,186,595.11	1,966,058,357.59	39.88%	Mainly due to the increase in credit

Non-current liability due in 1 year	814,408,879.06	175,958,998.04	362.84%	Mainly due to the reclassification of long-term borrowings due within one year
Long-term loan	444,341,594.32	786,858,878.82	-43.53%	Mainly due to the reclassification of long-term borrowings due within one year
Net profit attributable to the owners of parent company	268,606,450.03	202,299,416.64	32.78%	Mainly due to the increase in business scale during the reporting period
Cash received from sales of goods or rendering of services	1,722,890,541.67	805,577,789.73	113.87%	Mainly due to the smooth progress of the project business and a good collection

Major changes to the profit structure or sources of the Company in the reporting period

Applicable  Not applicable

No such cases in the reporting period.

Breaqkdown of main business

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						
EPC	2,036,940,961.32	1,518,629,390.71	25.45%	42.36%	47.50%	-2.59%
Decoration works	988,141,395.48	800,969,225.05	18.94%	92.03%	86.19%	2.54%
Product						
Area						
Domestic	1,428,218,809.70	1,017,468,548.83	28.76%	-2.02%	-3.17%	0.84%
Overseas	1,596,863,547.10	1,302,130,066.93	18.46%	222.11%	217.59%	1.16%

### III.Non-core business analysis

Applicable  Not applicable

### IV.Analysis of assets and liabilities

#### 1.Significant changes in asset composition

In RMB

	End of Reporting period		End of same period of last year		Change in percentage(%)	Reason for significant change
	Amount	As a percentage of total assets(%)	Amount	As a percentage of total assets(%)		
Monetary funds	1,720,256,083.77	18.08%	114,361,163.46	1.98%	16.10%	Mainly due to the increase in current loans
Account receivable	4,828,966,377.80	50.74%	3,162,231,825.59	54.69%	-3.95%	Mainly due to the progress of the implementation of large projects, project income increased, the reporting period has not yet received payment.
Inventory	301,728,576.28	3.17%	245,856,552.73	4.25%	-1.08%	At the end of the period, the amount of raw materials and inventory increased, and the unsettled part of the project was completed.
Fixed assets	127,345,176.80	1.34%	95,739,662.33	1.66%	-0.32%	Mainly due to the acquisition of commercial hospitals in the current period.
Construction in process	3,788,297.42	0.04%	2,101,034.12	0.04%	0.00%	Mainly due to the completion of the installation of the Kuwaiti project crane and the completion of the construction of the Suzhou factory.
Short-term loans	2,750,186,595.11	28.90%	1,786,708,647.08	30.90%	-2.00%	Due to the increase in bank borrowings in the current period.
Long-term loans	444,341,594.32	4.67%	420,458,334.52	7.27%	-2.60%	Due to the increase in bank borrowings in the current period.

## 2. Asset and Liabilities Measured by Fair Value

Applicable  Not applicable

## 3. Restricted asset rights as of end of the reporting period

As of the end of the reporting period, there were no such circumstances where any main assets of the Company were sealed, distrained, forced, impawned, pledged or limited in any other way.

## V. Investment situation

Applicable  Not applicable

Investments made in the reporting period	Investments made in same period of last	+/- %
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	year	
135,075,100.00	97,000,000.00	39.25%

## 2. Condition of Acquiring Significant Share Right Investment during the Report Period

Applicable  Not applicable

## 3. Situation of the Significant Non-equity Investment Undergoing in the Report Period

Applicable  Not applicable

## 4. Investment of Financial Asset

### (1) Securities investment

Applicable  Not applicable

### (2) Investment in Derivatives

Applicable  Not applicable

The Company had no investment in derivatives in the reporting period.

## VI. Sales of major assets and equity

### 1. Sales of major assets

Applicable  Not applicable

The Company had no sales of major assets in the reporting period.

### 2. Sales of major equity

Applicable  Not applicable

## VII. Analysis of the Main Share Holding Companies and Share Participating Companies

Applicable  Not applicable

Situation of Main Subsidiaries and the Joint-stock Company with over 10% net profit influencing to the Company

In RMB

Company name	Company type	Main business scope	Industry	Registered capital	Total assets	Net assets	Turnover	Operating profit	Net profit
Sino Great Wall International	Subsidiaries	Construction general contracting, labor	Building decoration and other construction	470,136,099	8,490,666,722.89	2,052,478,210.74	2,959,812,969.97	382,673,800.71	329,920,483.53

Engineering Co., Ltd.		subcontracting; engineering survey and design; professional contracting; engineering design for the construction decoration; building curtain wall design, Engineering and technical research and experimental development, etc.	n industries						
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Subsidiaries obtained or disposed in the reporting period

Applicable  Not applicable

Notes

#### **VIII. Structured vehicle controlled by the Company**

Applicable  Not applicable

#### **IX. Prediction of business performance for January -September 2017**

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

#### **X.Risks facing the Company and countermeasures**

##### (1) Influence of Macro Economy and Policy

The construction industry and the health-care industry, in which the Company are engaging, are influenced greatly by macro economy and policies. The uncertainty in international and domestic economic situation and the changes of national policy will bring potential risks to the Company's market development and operating management.



Solutions: Pay constant attention to the international and domestic economic situation to make reasonable judgement. Make timely adjustment for operating strategy and marketing policy and make pre-arranged planning which copes with market changes to guarantee the smooth realization for business goals in 2017.

#### (2) Risks Aggravated by the Market Competition

With more competitions which domestic enterprises and international construction market take part in, the Company's overseas business operating will be impacted more or less.

Solutions: Strengthen team construction and take first-mover advantage of the Company's overseas business. Draw lessons from the past, improve the capacity of management and control for the Company's own projects to constantly heighten the Company's core competitiveness.

#### (3) Management Risks Brought by Constant Business Scope Enlargement

In views of the period where the Company is in speedy development, the Company has transferred from the sub-contractor of professional decoration to the general contractor of building construction, and the speedy development in overseas business puts forward higher demands to the Company's organization operating and project management.

Solutions: Strengthen learning and training, constantly improve the quality of the on-the-job managers and technicians, introduce high-level personnel and improve the overall management capacity and the technical capacity of the Company to fully adapt to the pace of the Company's speedy development

## V. Important Events

### 1. Annual General Meeting and Extraordinary Shareholders' Meetings in the Reporting Period

#### 1. Annual General Meeting

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to disclosed information
2016 Annual General Meeting	Annual General Meeting	39.58%	May 19,2017	May 20,2017	2016 Annual General Meeting (No.2017-042) published on Securities Times,Hong Kong Commercial Daily and Juchao Website ( <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> ) on May 20,2017.

#### 2. Request for extraordinary general meeting by preferred stockholders whose voting rights restore

Applicable  Not applicable

### II. Proposal for profit distribution and converting capital Reserve into share atial for the reporting period

Applicable  Not applicable

For the reporting period, the Company plans not to distribute cash dividends or bonus shares or convert capital reserve into share capital.

### III. The fulfilled commitments in the reporting period and under-fulfillment commitments by the end of the reporting period made by the company, shareholder, actual controller, acquirer, director, supervisor, senior management personnel and other related parities.

Applicable  Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform	No	No	No		No	No

Commitment in the acquisition report or the report on equity changes	No	No	No		No	No
Commitments in assets reorganization	Chen Lue, He Feiyan	Stock lock	<p>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 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</p> <p>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</p>	March 19,2015	36 months	Strict performing

			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 Lue	Stock lock	Shares acquired by matching funds raised: “I will not transfer the new shares of Victor Onward Holdings acquired through this issuing by any way, including but not limited to the public transfer through the stock market or by 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 Lue	No capital occupation	Up to the issue day of the letter, I and other corporations controlled by me haven't possessed funds of Sino Great Wall; After the transaction is completed, I and other companies controlled by me (if any), except for listed companies and their holding subsidiaries, will not possess the funds of listed companies or Sino Great Wall by any way, including cash in advance, other expenses, direct or indirect loans, assumption, etc. and try our best to avoid fund intercourse with listed companies or Sino Great Wall, which has nothing to do with normal operations. If Sino Great Wall got penalized by government administration departments due to the money lending which was happened before the transaction, I will bear the total compensation for the company's loss resulting from it by cash in order to guarantee Sino Great Wall won't suffer any loss. Meanwhile, I will actively urge Sino Great Wall to establish complete inner control system and funds management system within lawful authority.	March 19,2015	Long-term	Strict performing
Chen Lue	Cash compensat	In view of the fact that the houses rented by Sino Great Wall and it's son subsidiaries,	March 19,2015	Long-term	Strict performing	

		ion	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.			ng
	Chen Lue	Cash compensation	During the reporting period, the project which Sino Great Wall is involved in is the decoration engineering construction project of Libo Grand Hotel (hereinafter referred to as "Libo project") which the company contracted before the bidding process. Sino Great Wall is not involved in any other projects except for Libo project before bidding process. As to the violating issues existed in the Libo project, I promise as follows: if Sino 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 Lue	Cash compensation	"1. Up to October 13th,2014, the related expenses of the litigation and arbitration cases, including 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.	March 19,2015	Long-term	Strict performing

	Chen Lue	Cash compensation	1. On condition that ownership defect exists in the lease of house property of parent-subsidiary companies of Sino Great Wall and its subsidiary corporation, which resulted in inability for parent-subsidiary companies of Sino Great Wall and its subsidiary corporation to continue leasing this house property but having to relocate, or parent-subsidiary companies of Sino Great Wall and its subsidiary corporation can't timely find suitable workplace for lawful operation in related area, I will undertake to compensate by cash for parent-subsidiary companies of Sino Great Wall's losses which are caused by operation and finance due to the above-mentioned matters. 2. I undertake to unconditionally bear the relevant fines by cash for parent-subsidiary companies of Sino Great Wall on condition that the rental house property of parent-subsidiary companies of Sino Great Wall and its subsidiary corporation is in absence of handling procedures for filing house 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 Lue	Cash compensation	“In condition that parent-subsidiary companies of Sino Great Wall or its son subsidiary haven't paid social security or housing fund for staff according to law, which resulted in any losses to Sino Great Wall , including the competent authorities' requirement for Sino Great Wall or its subsidiary to make supplementary payment, to be punished and resourced, I will bear by full-amount cash for the fee of supplemental payment and the expense and fee for being punished or resourced, which is to guarantee Sino Great Wall and its subsidiary to avoid suffering from any loss ”.	March 19,2015	Long-term	Strict performing
	Chen Lue	Cash compensation	“At present, Suzhou Lvbang has possessed one state-own land use right, of which the	March 19,2015	Long-term	Strict performing

		ion	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.			ng
	Chen Lue	Cash compensation	“According to the “Agreement of Significant Asset Replacement and Issue of Share to Buy Asset”(hereinafter referred to as “Agreement”) signed among Victor Onward Holdings, all shareholders of Sino Great Wall and Union Development Group Co., Ltd (hereinafter referred to as “Union Group”) on October 13, 2014, all the creditor’s rights and liabilities related to place-out asset before the delivery date of Victor Onward Holdings shall be Union Group’s responsibility to carry out solution; After the asset delivery date, if any losses occur to Victor Onward Holdings in	March 19, 2015	Long-term	Strict performing

			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 Lue , He Feiyan	Performance commitment	According to“ Agreement of Shenzhen Victor Onward Textile Industrial Co., Ltd., Chen Lue and He Feiyan Concerning on Performance Compensation” and its supplemental agreement , Chen Lue’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 Lue 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 Lue; He Feiyan,	Independent competition	1. This reorganization is planned to place in asset. At present, complete separation has existed between me or other enterprises under my possession (if any) and the listed company in staff, asset, finance, institution and business of Sino Great Wall. Independence exists in both staff, asset, finance, institution and business and no confusion exists. 2. I undertake, after this reorganization, to ensure the continued complete separation between me or other enterprises under my	September 30,2015	Long-term	Strict performing



		<p>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</p>			
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			<p>makes the financial decision-making independently, I will not intervene the utilization of the listed company's capital.</p> <p>(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</p> <p>(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.</p> <p>2. Ensure that I will not intervene the listed company's business activities except exercising shareholder's rights.</p> <p>3.Ensure that I or other enterprises under my possession will avoid working on the listed company's main business which possesses substantial competition.</p> <p>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>			
	Chen Lue; He Feiyan;	Related transaction	<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</p>	March 19,2015	Lont-term	Strict performing

			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 newly-added share of Victor Onward Holdings according to the relevant provision of CSRC and SZSE.			
	Union Development Group Co., Ltd.	Income disposal	During the assets reorganization, the house property and land without property certificate in the disposed assets within the plant area of Kuixin Community of Kuichong Street of Longgang District and the expected compensations, as well as the expected compensations concerning to the regaining of plots planned as schools within the right of land use of Nanyou Industrial Park of Nanshan District have not been recorded in the assessment. Therefore, Union Group promises that after the reorganization, if Union or a third party appointed by Union receives compensations 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	March 19, 2015	Long-term	Strict performing

			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.”			
	Union Development Group Co., Ltd	Cash compensation	According to the Term 5.5.3 of Agreement on Major Asset Replacement and Asset Purchase Through Issuing Shares (hereinafter referred to as Agreement) signed on October 13, 2014 by the company and all shareholders of Victor Onward Co. Ltd.. and Sino Great Wall, Victor Onward Holdings should obtain the letter of approval concerning the transferred debts of the disposed assets from the creditor (including the guarantee, similarly hereinafter) before the date of assets delivery. In the situation of debts on Victor Onward Holdings due to the absence of creditor’s consent, the company or the third party appointed 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.	March 19,2015	Long-term	Strict performing

			<p>When there are losses caused by it, the company or the third party appointed by the company will fully compensate for the caused losses of Victor Onward Holdings in 5 working days after receiving the notice. According to the Term 5.6.1 of Agreement and based on the principle of “staff arrangement according to the assets”, the labor relations, social insurance relations including pension, medical treatment, unemployment, working injury and maternity, and other liable welfare and salary of all the staff in Victor Onward Holdings. (including but not limited to on-post 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 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.</p>			
	All directors of the company	Fill returns	<p>1.Guarantee that interest will be transferred to other units or individuals which are with compensation or without fair conditions, neither other ways which are harmful to the Company’s interest will be adopted;2.Guarantee restraint conduction for the duty consuming behavior of directors and senior managers;3.Guarantee that no capital</p>	July 7,2016	Long-term	Strict performing

			<p>of the Company will be employed for engaging in investment or consumption which are not involved with duty performance;4.Guarantee that the compensation system formulated by the board of director or Compensation and Assessment Committee is linked with the exertion situation of the Company's return filling solution;5. Shall stock incentive mechanism subsequently be introduced by the Company, the exertion condition of the Company's stock incentive mechanism which is intended to be published is guaranteed to be linked with the exertion situation of the Company's return filling solution;6.When stock incentive mechanism is intended to be carried out subsequently , I promise, within the legal range, to prompt the exertion condition of the Company's stock incentive mechanism which is intended to publish is guaranteed to be linked with the exertion situation of the Company's return filling solution;7. I promise the commitments above will be fulfilled strictly, and guarantee actual fulfillment for the Company's return filling solution. Shall any commitments be violated or be refused to fulfill by me, I will fulfill corresponding obligations of explanation and apology according to relevant regulations of Guidance on First Issue, Refinancing, Major Asset Reorganization and Dilution for Return at Sight by CSRC, and will approve the supervision measures or self-discipline supervision measures made by CSRC, SZSE and China Association for Public Companies. Any losses occurred upon he Company or the shareholders, I am willing to undertake the responsibility for corresponding compensation in accordance with laws.</p>			
	Chen Lue, He Feiyan	Fill returns	Guarantee that no operating management will be intervened with exceeded authority, and no interest of the Company will be expropriated.	July 7,2016	Long-term	Strict performing
Commitments make in initial public offering	No		No		No	No

or re-financing						
Equity incentive commitment	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	Nil					

#### IV. 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.

#### V.Explanations given by board of directors and supervisory board regarding “ Modified auditor’s” Issued by CPAs firm for the reporting period

Applicable  Not applicable

#### VI. Explanations given by Board of Directors regarding “ Modified auditor’s Report” Issuedfor last year

Applicable  Not applicable

#### VII. Bankruptcy and restructuring

Applicable  Not applicable

No such cases in the reporting period.

#### VIII. Legal Imatters

Signifieant lawsuits or arbitrations

Applicable  Not applicable

No such cases in the reporing period.

Other legal matters

Applicable  Not applicable

**IX. Punishments and rectifications**

Applicable  Not applicable

No such cases in the reporting period.

**X. Credit conditions of the Company as well as its Controlling shareholder and actual Controller**

Applicable  Not applicable

**XI. Equity incentive plans, employee stock ownership plans or other incentive measures for employees**

Applicable  Not applicable

The second meeting of the seventh board of directors, the second meeting of the seventh board of supervisors and the 2015 third extraordinary general shareholder meeting were respectively convened by the company on Nov 5, 2015 and Nov 23, 2015, at which the Proposal on the First Phase of Employee Stock Ownership Plan (draft) of Shenzhen Victor Onward Textile Industrial Co., Ltd was examined and approved.

Please refer to the published on November 7, 2015 and November 24, 2017, the securities times, the Hong Kong Commercial Daily and cninfo (www.cninfo.com.cn) on the relevant announcement.

On December 24, 2015, the company as the asset trustor of the ESOP asset management plan, together with the asset manager- Xingzheng Securities Asset Management Co.,Ltd and the asset trustee- China Everbright Bank Co.,Ltd signed the contract of No.57 Xing Zheng Zi Guan Xin Zhong Assets Management Contract of the Collection Assets Management Plan which concretely explained and stipulated the information included the basic information of the collection plan, participating in and withdrawal of the collection plan, guarantee, classification of the collection plan, the management methods and the management rights of the customer assets in the collection plan, the establishment of the collection plan, the expenses of the collection plan, the proceeds and its distribution of the collection plan, investment philosophy and investment strategy, investment decision-making and risk control, restrictions and prohibited behaviors of investment, information disclosure of the collection plan, transfer of the share of the collection plan, non-transaction transfer ownership and freezing and so on.

Please refer to the published on December 29, 2015, the securities times, the Hong Kong Commercial Daily and cninfo (www.cninfo.com.cn) on the relevant announcement.

As of January 7, 2016, the company's first phase of the employee stock ownership plan has completed the share-purchasing by means of buying in the secondary security market, of which the average position price is RMB44.7578 per share, the total purchase quantity is 0.833187 million shares which account for 0.1864% of the company's total share capital, and the total turnover is RMB37.29163 million. The lock-up period of the shares purchased under the plan is 12 months commenced from the date of this announcement.

Please refer to the published on January 8, 2016, the securities times, the Hong Kong Commercial Daily and cninfo (www.cninfo.com.cn) on the relevant announcement.

**XII. Material related transactions****1. Related transactions in connection with daily operation**

Applicable  Not applicable



No such cases in the reporting period.

## 2. Related-party transactions arising from asset acquisition or sold

Applicable Not applicable

No such cases in the reporting period.

## 3. Related-party transitions with joint investments

Applicable Not applicable

No such cases in the reporting period.

## 4. Credits and liabilities with related parties

Applicable Not applicable

No such cases in the reporting period.

## 5. Other significant related-party transactions

Applicable Not applicable

No such cases in the reporting period.

## **XIII.Particulars about the non-operating occupation of funds by the Controlling shareholderand 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.

## **XIV. Significant contracts and execution**

### 1.Entrustments, contracting and leasing

#### (1) Entrustment

Applicable Not applicable

No such cases in the reporting period.

#### (2) Contracting

Applicable Not applicable

No such cases in the reporting period.

## (3) Leasing

Applicable Not applicable

No such cases in the reporting period.

## 2. Significant guarantees

Applicable Not applicable

## (1) Guarantees

In RMB'0000

Guarantee of the Company for the controlling subsidiaries (Exclude controlled subsidiaries)								
Name of the Company	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)
Total of external guarantee approved in the report term (A1)				0	Total of external guarantee actually occurred in the report term (A2)			0
Total of external guarantee approved as of end of report term (A3)				0	Total of external guarantee actually occurred as of end of report term (A4)			0
Guarantee of the company for its subsidiaries								
Guarantee provided to	Amount of guarantee and date of disclosure	Amount of the guarantee	Actual date of occurring (signing date of agreements)	Actual amount of guarantee	Type of guarantee	Term	Completed or not	Related guarantee
Sino Great Wall	March 31,2016	14,000	July 12,2016	14,000	The joint liability guaranty	1 year	No	No
Sino Great Wall	March 31,2016	13,000	October 28,2016	13,000	The joint liability guaranty	1 year	No	No
Sino Great Wall	March 31,2016	7,000	February 28,2017	7,000	The joint liability guaranty	1 year	No	No
Sino Great Wall	March 31,2016	20,000	April 11,2017	20,000	The joint liability guaranty	1 year	No	No
Sino Great Wall	March 31,2016	15,000	July 19,2016	15,000	The joint liability guaranty	1 year	No	No

Sino Great Wall	March 31,2016	5,000	August 8,2016	5,000	The joint liability guaranty	1 year	No	No
Sino Great Wall	March 31,2016	20,000	October 31,2016	20,000	The joint liability guaranty	1 year	No	No
Sino Great Wall	March 31,2016	25,000	December 20,2016	25,000	The joint liability guaranty	1 year	No	No
Sino Great Wall	March 31,2016	18,000	January 3,2017	18,000	The joint liability guaranty	1 year	No	No
Sino Great Wall	May 19,2017	12,000	June 7,2017	12,000	The joint liability guaranty	1 year	No	No
Sino Great Wall	December 27,2016	8,400	March 31,2017	8,400	The joint liability guaranty	2.5 year	No	No
Sino Great Wall	December 27,2016	10,000	January 10,2017	10,000	The joint liability guaranty	3 year	No	No
Sino Great Wall	March 31,2016	9,700	February 21,2017	9,700	The joint liability guaranty	0.5 year	No	No
Sino International		30,000	December 21,2016	30,000	The joint liability guaranty	1 year	No	No
Sino International		25,714	August 25,2016	25,714	The joint liability guaranty	1 year	No	No
Sino International		25,000	January 13,2017	25,000	The joint liability guaranty	1 year	No	No
Sino International		20,000	January 13,2017	20,000	The joint liability guaranty	1 year	No	No
Sino International		20,000	June 21,2016	20,000	The joint liability guaranty	1 year	No	No
Sino		10,000	August 22,2016	10,000	The joint	1 year	No	No

International					liability guaranty			
Sino International		50,000	November 22,2016	50,000	The joint liability guaranty	1 year	No	No
Sino International		20,000	April 19,2016	20,000	The joint liability guaranty	2 year	No	No
Sino International		30,000	May 10,2017	30,000	The joint liability guaranty	3 year	No	No
Sino International		80,000	April 17,2017	80,000	The joint liability guaranty	1 year	No	No
Sino International		5,000	May 27,2017	5,000	The joint liability guaranty	1 year	No	No
Sino International		40,000	June 23,2017	40,000	The joint liability guaranty	1 year	No	No
Sino International		10,000	June 28,2017	10,000	The joint liability guaranty	1 year	No	No
Total of guarantee for subsidiaries approved in the Period (B1)		900,000		Total of actual guarantee for subsidiaries in the Period (B2)		227,100		
Total of guarantee for subsidiaries approved at Period-end (B3)		227,100		Total of actual guarantee for subsidiaries at Period-end (B4)		227,100		
Guarantee of the subsidiaries 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)
Total guarantee quota to the subsidiaries approved in the		0		Total amount of guarantee to the subsidiaries actually incurred in		0		

reporting period (C1)		the reporting period (C2)	
Total guarantee quota to the subsidiaries approved at the end of the reporting period (C3)	0	Total balance of actual guarantee to the subsidiaries at the end of the reporting period (C4)	0
Total of Company's guarantee (namely total of the large three aforementioned)			
Total of guarantee in the Period (A1+B1+C1)	900,000	Total of actual guarantee in the Period (A2+B2+C2)	227,100
Total of guarantee at Period-end (A3+B3+C3)	227,100	Total of actual guarantee at Period-end (A4+B4+C4)	227,100
The proportion of the total amount of actually guarantee in the net assets of the Company(A4+B4+C4)		116.06%	
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)		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

##### (2) Illegal providing of external guarantees

Applicable  Not applicable

No illegal providing of external guarantees in the report period.

##### 3. Other significant contracts

Applicable  Not applicable

No such cases in the reporting period.

## XV.Social responsibilities

### 1.Overview of the annual targeted poverty alleviation

(1) Half-year poverty relieving summary

(2) Information of the listed company's annual work in targeted poverty alleviation

Index	Measurement unit	Quantity / Status
I. General situation	—	—
II. Itemized investment	—	—
1. Industrial development for getting rid of poverty	—	—
2. Transferred to employment to get rid of poverty	—	—
3. Relocation to get rid of poverty	—	—
4. Education to get rid of poverty	—	—
5. Improving Health to get rid of poverty	—	—
6. Ecological protection to poverty alleviation	—	—
7. Bottom-line Safeguard	—	—
8. Social poverty alleviation	—	—
9. Other items	—	—
III. Awards (content, level)	—	—

(3) Subsequent targeted poverty alleviation program

## 2. Information of performance of other social responsibilities

For details, please see the Social Responsibility Report disclosed by the company on the same day.

Listed company and its subsidiary belongs to the key pollution enterprise listed by Department of Environmental Protection

No

## XVI. Other material events

Applicable  Not applicable

On July 7, 2016, At the 10<sup>th</sup> board meeting of the 7<sup>th</sup> session board of directors held by the company, the Proposal about Sino Great Wall Co.,Ltd's Non-public Issuance of A Share was examined and approved, planning to issue shares to Sino Great Wall (Beijing) Investment Co., Ltd, Beijing An'ben Helath-care Investment Holdings Co.,Ltd and Mr. Zheng Jihua with the raising money of RMB 2.5 billion. On October 14, 2016, CSRC accepted the company's application of Non-public Issuance of Shares.

On February 16,2017, At the 16th board meeting of the 7<sup>th</sup> session board of directors held by the company, the Proposal about Adjusting the Non-public Share Issuance Plan of the Company was examined and approved, with the total amount of raising money adjusted to be RMB 900 million.

On March 22,2017, The company's application of non-public A-share issuance had been examined and

approved by the Issuance Examination Commission of CSRC. On July 21, 2017, the company received the Approval for Sino Great Wall Co.,Ltd's Non-public Share Issuance by CSRC (No. 1145-2017 CSRC Permission). The company's board of directors will, in accordance with the relevant laws and regulations, the requirement of the above-said approval document and the authorization of the company's shareholders' general meeting, handle the relevant matters of this non-public share issuance within the stipulated term and fulfill the obligation of information disclosure in a timely manner.

## **XVII. Material events of subsidiaries**

Applicable  Not applicable

## VI. Change of share capital and shareholding of Principal Shareholders

### I.Changes in share capital

#### 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	681,035,811	40.10%				-360,375	-360,375	680,675,436	40.08%
3.Other domestic shares	681,035,811	40.10%				-360,375	-360,375	680,675,436	40.08%
Of which:									
Domestic legal person shares	42,479,672	2.50%				0	0	42,479,672	2.50%
Domestic natural person shares	638,556,139	37.60%				-360,375	-360,375	638,195,764	37.58%
II. Shares with unconditional subscription	1,017,209,200	59.90%				360,375	360,375	1,017,569,575	59.92%
1.Common shares in RMB	753,405,969	44.36%				360,375	360,375	753,766,344	44.39%
.Foreign shares in domestic market	263,803,231	15.53%				0	0	263,803,231	15.53%
III. Total of capital shares	1,698,245,011	100.00%				0	0	1,698,245,011	100.00%

Reasons for share changed:

 Applicable  Not applicable

Approval of Change of Shares

 Applicable  Not applicable

Ownership transfer of share changes

 Applicable  Not applicable

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

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

Applicable  Not applicable

2. Change of shares with limited sales condition

Applicable  Not applicable

## II. Issuing and listing

Applicable  Not applicable

## III. Shareholders and shareholding

In 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
Shareholding of shareholders holding more than 5% shares								
Chen Lue	Domestic Natural person	34.36%	583,454,556	+510,000	581,722,696	1,731,860	Mortgage	455,260,594
STYLE-SUCCESS LIMITED	Foreign legal person	5.47%	92,970,910	0	0	92,970,910		
Union Holdings Co., Ltd.	Domestic Non-State-owned legal person	5.18%	87,935,921	0	0	87,935,921		
He Feiyan	Domestic Natural person	3.23%	54,800,458	0	54,800,458			
Jiutai Fund — Bank of Communications — Jiutai Huitong No.2	Other	2.50%	42,479,672	0	42,479,672			

specific customer asset management plan								
Rich Crown Investment Co., Ltd.	Foreign legal person	1.37%	23,235,313	0	0	23,235,313		
Bank of China — Fortis Income Growth Securities Investment Fund	Other	1.12%	18,961,320	+761,000	0	18,961,320		
Jiangxi Taihao Venture Investment Centre(LP)	Domestic Non-legal person State-owned legal person	1.11%	18,791,879	0	0	18,791,879		
Qianhai life insurance Co., ltd—Haley year	Other	1.04%	17,725,200	+17,725,200	0	17,725,200		
Qinghai Heyi Industry Development Co., Ltd.	Domestic Non-legal person State-owned legal person	0.79%	13,356,984	0	0	13,356,984		
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 Lue and He Feiyan 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.							
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					
STYLE-SUCCESS LIMITED	92,970,910	Foreign shares placed in domestic exchange	92,970,910					
Union Holdings Co., Ltd.	87,935,921	RMB Common shares	87,935,921					
Rich Crown Investment Co., Ltd.	23,235,313	Foreign shares placed	23,235,313					

		in domestic exchange	
Bank of China – Fortis Income Growth Securities Investment Fund	18,961,320	RMB Common shares	18,961,320
Jiangxi Taihao Venture Investment Centre(LP)	18,791,879	RMB Common shares	18,791,879
Qianhai life insurance Co., ltd – Haley year	17,725,200	RMB Common shares	17,725,200
Qinghai Heyi Industry Development Co., Ltd.	13,356,984	RMB Common shares	13,356,984
China International finance Co., Ltd.	12,109,500	RMB Common shares	12,109,500
Huatai Securities Co., Ltd.	11,127,400	RMB Common shares	11,127,400
Huang Huaian	10,115,000	RMB Common shares	10,115,000
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.

#### IV. 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.

## 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 Lue	Chairman, General Manager	In office	582,944,556	510,000	0	583,454,556			
Li Erlong	Vice chairman, Duputy General Manager	In office	11,400	0	0	11,400	0	0	0
Yang Chunling	Secretary to the board of directors	In office	0	35,500	0	35,500	0	0	0
Total	--	--	582,955,956	545,500	0	583,501,456	0	0	0

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

□ Applicable √ Not applicable

### **IX. Corporate Bond**

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

## X. Financial Report

### I. 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.

August 10,2017

In RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	1,720,256,083.77	1,340,815,821.83
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	781,067,587.68	1,074,390,642.58
Account receivable	4,828,966,377.80	3,725,170,208.31
Prepayments	187,002,578.78	319,206,798.63
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	923,145,857.89	651,012,132.91

Repurchasing of financial assets		
Inventories	301,728,576.28	332,904,930.36
Assets held for sales		
Non-current asset due in 1 year	7,961,594.15	13,462,942.89
Other current asset	11,484,244.83	35,450,194.47
Total of current assets	8,761,612,901.18	7,492,413,671.98
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	127,345,176.80	128,483,747.74
Construction in progress	3,788,297.42	
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	104,308,769.67	106,203,443.55
R & D petrol		
Goodwill	58,874,144.79	58,874,144.79
Long-germ expenses to be amortized	5,117,815.00	7,003,035.93
Differed income tax asset	90,480,456.69	76,298,659.34
Other non-current asset	365,192,873.00	116,902,258.30
Total of non-current assets	755,107,533.37	493,765,289.65
Total of assets	9,516,720,434.55	7,986,178,961.63
Current liabilities		
Short-term loans	2,750,186,595.11	1,966,058,357.59
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	606,158,083.17	706,883,375.54
Account payable	1,505,466,836.91	1,313,948,990.25
Advance payment	533,399,418.80	573,784,072.58
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	18,517,014.15	18,797,546.69
Tax payable	316,908,006.38	313,483,669.78
Interest payable	5,544,518.54	6,428,493.55
Dividend payable	101,894,700.66	
Other account payable	265,482,611.11	222,414,975.01
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	814,408,879.06	175,958,998.04
Other current liability		30,382,980.72
Total of current liability	6,917,966,663.89	5,328,141,459.75
Non-current liabilities:		
Long-term loan	444,341,594.32	786,858,878.82
Bond payable	100,000,000.00	
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable employees's remuneration		
Special payable		
Expected liabilities	4,878,343.68	13,225,861.70
Differed income		
Differed income tax liability	26,513,069.28	27,469,888.77
Other non-current liabilities		
Total non-current liabilities	575,733,007.28	827,554,629.29
Total of liability	7,493,699,671.17	6,155,696,089.04

Owners' equity		
Share capital	1,698,245,011.00	1,698,245,011.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	-1,303,571,952.69	-1,299,349,701.74
Less: Shares in stock		
Other comprehensive income		
Special reserves	81,827,887.68	65,687,868.14
Surplus reserves	84,394,441.23	84,394,441.23
Common risk provision		
Undistributed profit	1,395,682,248.23	1,228,970,498.86
Total of owner's equity belong to the parent company	1,956,577,635.45	1,777,948,117.49
Minority shareholders' equity	66,443,127.93	52,534,755.10
Total of owners' equity	2,023,020,763.38	1,830,482,872.59
Total of liabilities and owners' equity	9,516,720,434.55	7,986,178,961.63

Legal Representative: Chen Lue

Person in charge of accounting: Tang Xianyong

Accounting Dept Leader: Tang Xianyong

## 2. Balance sheet of Parent Company

In RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	421,061,159.27	168,691,344.34
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable		
Account receivable		6,346.00
Prepayments	2,264,166.67	1,000,000.00

Interest receivable		
Dividend receivable		
Other account receivable	2,418,962,011.73	1,672,200,041.98
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	1,576,001.07	1,404,744.25
Total of current assets	2,843,863,338.74	1,843,302,476.57
Non-current assets:		
Disposable financial asset		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	3,181,451,536.66	3,176,451,536.66
Property investment		
Fixed assets	65,573.03	4,121.50
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		
Deferred income tax asset	252,427.22	336,569.60
Other non-current asset	184,035,100.00	48,960,000.00
Total of non-current assets	3,365,804,636.91	3,225,752,227.76
Total of assets	6,209,667,975.65	5,069,054,704.33
Current liabilities		
Short-term loans	1,671,230,000.00	980,000,000.00
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable	111,236,631.80	68,000,000.00

Account payable		
Advance payment		
Employees' wage payable	571,016.83	701,792.11
Tax payable	97,131,554.92	97,085,106.00
Interest payable	4,146,356.25	5,150,639.24
Dividend payable	101,894,700.66	
Other account payable	68,510,268.86	13,252,762.06
Liabilities held for sales		
Non-current liability due in 1 year	600,000,000.00	
Other current liability		
Total of current liability	2,654,720,529.32	1,164,190,299.41
Non-current liabilities:		
Long-term loan	400,000,000.00	700,000,000.00
Bond payable	100,000,000.00	
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	500,000,000.00	700,000,000.00
Total of liability	3,154,720,529.32	1,864,190,299.41
Owners' equity		
Share capital	1,698,245,011.00	1,698,245,011.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,237,956,472.37	1,237,956,472.37
Less: Shares in stock		
Other comprehensive income		
Special reserves		

Surplus reserves	26,309,287.00	26,309,287.00
Undistributed profit	92,436,675.96	242,353,634.55
Total of owners' equity	3,054,947,446.33	3,204,864,404.92
Total of liabilities and owners' equity	6,209,667,975.65	5,069,054,704.33

### 3.Consolidated Income Statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	3,025,082,356.80	1,953,574,755.51
Incl: Business income	3,025,082,356.80	1,953,574,755.51
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	2,693,735,290.45	1,740,558,572.84
Incl: Business cost	2,319,598,615.76	1,460,727,131.33
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	1,942,587.29	9,026,652.11
Sales expense	18,094,586.39	9,259,264.24
Administrative expense	125,176,758.15	112,993,754.29
Financial expenses	139,811,809.59	70,024,674.60
Asset impairment loss	89,110,933.27	78,527,096.27
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)		46,868.49
Incl: investment gains from affiliates		
Gains from currency exchange (“-”for loss)		
Other income		

III. Operational profit (“-”for loss)	331,347,066.35	213,063,051.16
Add : Non-operational income	4,444,624.78	29,133,269.00
Including: Income from disposal of non-current assets		
Less: Non business expenses	93,122.33	2,755,912.00
Incl: Loss from disposal of non-current assets		
IV.Total profit(“-”for loss)	335,698,568.80	239,440,408.16
Less: Income tax expenses	56,227,138.25	37,862,759.83
V. Net profit	279,471,430.55	201,577,648.33
Net profit attributable to the owners of parent company	268,606,450.03	202,299,416.64
Minority shareholders’ equity	10,864,980.52	-721,768.31
VI. Other comprehensive income		-132.50
Net of profit of other comprehensive income attributable to owners of the parent company.		-132.50
(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
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 assets		-132.50

Financial statements		
6. Other		
7. Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	279,471,430.55	201,577,515.83
Total comprehensive income attributable to the owner of the parent company	268,606,450.03	202,299,284.14
Total comprehensive income attributable to minority shareholders	10,864,980.52	-721,768.31
VIII. Earnings per share		
(I) Basic earnings per share	0.16	0.12
(II) Diluted earnings per share	0.16	0.12

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

Legal Representative: Chen Lue

Person in charge of accounting: Tang Xianyong

Accounting Dept Leader: Tang Xianyong

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

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	111,018.01	115,940.34
Incl: Business cost	1,482.50	0.00
Business tax and surcharge	244,690.66	
Sales expense		
Administrative expense	10,577,092.07	13,785,695.93
Financial expenses	37,367,434.56	19,950,608.66
Asset impairment loss	-57,423.85	-1,530.70
Add: Gains from change of fair value (“-”for loss)		
Investment gain (“-”for loss)		
Incl: investment gains from affiliates		
Other income		
II. Operational profit (“-”for loss)	-48,022,257.93	-33,618,833.55

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)	-48,022,257.93	-7,303,450.55
Less: Income tax expenses		
IV. Net profit ( "-"for net loss )	-48,022,257.93	-7,303,450.55
V.Net of profit of other comprehensive income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	-48,022,257.93	-7,303,450.55
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	1,722,890,541.67	805,577,789.73
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	10,169,861.98	3,004.17
Other cash received from business operation	2,967,473,297.47	339,397,760.63
Sub-total of cash inflow	4,700,533,701.12	1,144,978,554.53
Cash paid for purchasing of merchandise and services	1,452,656,023.95	1,158,556,976.75
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	181,877,746.19	101,231,096.05
Taxes paid	157,274,185.63	86,805,215.28
Other cash paid for business activities	3,444,723,325.54	1,055,001,225.65
Sub-total of cash outflow from business activities	5,236,531,281.31	2,401,594,513.73
Cash flow generated by business operation, net	-535,997,580.19	-1,256,615,959.20
<b>II. Cash flow generated by investing</b>		
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		
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
Cash paid for construction of fixed assets, intangible assets and other long-term assets	18,675,205.60	16,234,590.65
Cash paid as investment	246,074,074.84	
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units	470,000.00	97,000,000.00
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	265,219,280.44	113,234,590.65
Net cash flow generated by investment	-265,219,280.44	-100,287,677.86
<b>III. Cash flow generated by financing</b>		

Cash received as investment	0.00	
Incl: Cash received as investment from minor shareholders		
Cash received as loans	2,753,197,500.00	2,195,182,638.00
Cash received from bond placing		
Other financing –related ash received		103,516,162.13
Sub-total of cash inflow from financing activities	2,753,197,500.00	2,298,698,800.13
Cash to repay debts	1,349,438,184.19	317,642,499.29
Cash paid as dividend, profit, or interests	95,084,766.20	36,392,124.49
Incl: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	60,833.33	561,003,771.39
Sub-total of cash outflow due to financing activities	1,444,583,783.72	915,038,395.17
Net cash flow generated by financing	1,308,613,716.28	1,383,660,404.96
IV. Influence of exchange rate alternation on cash and cash equivalents	-4,628,437.71	1,620,952.17
V.Net increase of cash and cash equivalents	502,768,417.94	28,377,720.07
Add: balance of cash and cash equivalents at the beginning of term	943,705,322.41	582,743,756.81
VI ..Balance of cash and cash equivalents at the end of term	1,446,473,740.35	611,121,476.88

## 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	128,210.00	139,273.00
Tax returned		
Other cash received from business operation	2,072,983,202.47	578,645,723.03
Sub-total of cash inflow	2,073,111,412.47	578,784,996.03
Cash paid for purchasing of		

merchandise and services		
Cash paid to staffs or paid for staffs	219,753.50	132,268.03
Taxes paid	147,356.70	1,313,588.98
Other cash paid for business activities	2,697,856,678.81	1,893,003,110.13
Sub-total of cash outflow from business activities	2,698,223,789.01	1,894,448,967.14
Cash flow generated by business operation, net	-625,112,376.54	-1,315,663,971.11
<b>II.Cash flow generated by investing</b>		
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	65,440.00	
Cash paid as investment	135,075,100.00	
Net cash received from subsidiaries and other operational units	5,000,000.00	97,000,000.00
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	140,140,540.00	97,000,000.00
Net cash flow generated by investment	-140,140,540.00	-97,000,000.00
<b>III.Cash flow generated by financing</b>		
Cash received as investment		
Cash received as loans	1,908,030,000.00	1,455,000,000.00
Cash received from bond placing		
Other financing –related ash received		
Sub-total of cash inflow from financing	1,908,030,000.00	1,455,000,000.00

activities		
Cash to repay debts	820,000,000.00	
Cash paid as dividend, profit, or interests	70,346,435.20	17,063,887.14
Other cash paid for financing activities	60,833.33	
Sub-total of cash outflow due to financing activities	890,407,268.53	17,063,887.14
Net cash flow generated by financing	1,017,622,731.47	1,437,936,112.86
IV. Influence of exchange rate alternation on cash and cash equivalents	0.00	
V.Net increase of cash and cash equivalents	252,369,814.93	25,272,141.75
Add: balance of cash and cash equivalents at the beginning of term	168,691,344.34	239,145,251.31
VI ..Balance of cash and cash equivalents at the end of term	421,061,159.27	264,417,393.06

## 7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Items	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	Comm on risk provisi on			Attributable profit
	prefe rred stoc k	Sust aina ble debt	Othe r										
I. Balance at the end of last year	1,698,245,011.00				-1,299,349,701.74			65,687,868.14	84,394,441.23		1,228,970,498.86	52,534,755.10	1,830,482,872.59
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of current year	1,698,245,011.00				-1,299,349,701.74			65,687,868.14	84,394,441.23		1,228,970,498.86	52,534,755.10	1,830,482,872.59
III. Changed in the current year					-4,222,250.95			16,140,019.54			166,711,749.37	13,908,372.83	192,537,890.79

(I) Total comprehensive income											268,606,450.03	10,864,980.52	279,471,430.55
(II) Investment or decreasing of capital by owners					-4,222,250.95							3,043,392.31	-1,178,858.64
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					-4,222,250.95							3,043,392.31	-1,178,858.64
(III) Profit allotment											-101,894,700.66		-101,894,700.66
1. Providing of surplus reserves													
2. Providing of common risk provisions													
3. Allotment to the owners (or shareholders)											-101,894,700.66		-101,894,700.66
4. 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							16,140,019.54						16,140,019.54
1. Provided this year							35,597,306.04						35,597,306.04
2. Used this term							19,457,286.50						19,457,286.50
(VI) Other													
IV. Balance at the end of this term	1,698,245,011.00					-1,303,571,952.69	81,827,887.68	84,394,441.23		1,395,682,248.23	66,443,127.93		2,023,020,763.38

Amount in last year

In RMB

Items	Amount in last year												Minor shareholders' equity	Total of owners' equity
	Owner's equity Attributable to the Parent Company													
	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		Sustained	Other											



			ble debt			e						
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				-1,248,981,839.52		19,672,926.60			473,661,862.67	54,247,830.29	549,939,209.04
(I) Total comprehensive income										473,661,862.67	-1,327,357.60	472,334,505.07
(II) Investment or decreasing of capital by owners	1,251,338,429.00				2,356,589.48						55,575,187.89	1,309,270,206.37
1. Ordinary Shares invested by shareholders	1,251,338,429.00											1,251,338,429.00
2. Holders of other equity instruments invested capital												
3. Amount of shares												

paid and accounted as owners' equity													
4. Other					2,356,589.48							55,575,187.89	57,931,777.37
( III ) Profit allotment													
1.Providing of surplus reserves													
2.Providing of common risk provisions													
3. Allotment to the owners (or shareholders)													
4. Other													
(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
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.													
4. Other													
(V). Special reserves								19,672,926.60					19,672,926.60

1. Provided this year							56,095,547.05					56,095,547.05
2. Used this term							36,422,620.45					36,422,620.45
(VI) Other												
IV. Balance at the end of this term	1,698,245,011.00				-1,299,349,701.74		65,687,868.14	84,394,441.23		1,228,970,498.86	52,534,755.10	1,830,482,872.59

## 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 instrusment			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Speciali zed reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferred stock	Sustainabl e debt	Other							
I.Balance at the end of last year	1,698,245,011.00				1,237,956,472.37				26,309,287.00	242,353,634.55	3,204,864,404.92
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II.Balance at the beginning of current year	1,698,245,011.00				1,237,956,472.37				26,309,287.00	242,353,634.55	3,204,864,404.92
III.Changed in the current year										-149,916,958.59	-149,916,958.59
(1) Total comprehensive income										-48,022,257.93	-48,022,257.93

(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											-101,894,700.66	-101,894,700.66
1.Providing of surplus reserves												
2. Allotment to the owners (or shareholders)											-101,894,700.66	-101,894,700.66
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	1,698,245,011.00				1,237,956,472.37				26,309,287.00	92,436,675.96	3,054,947,446.33

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	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 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	1,251,338,429.00				-1,251,338,429.00						
1. Capitalizing of capital reserves (or to capital shares)	1,251,338,429.00				-1,251,338,429.00						
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
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### 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 Lue 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 Lue 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..

At the Company's general meeting of shareholders held on May 6, 2016, the 2015 Plan of Conversion of Capital Reserves into Share Capital was adopted. The detailed plan was: to increase capital reserves to all the shareholders with 28 shares for 10 shares based on 446,906,582 shares in total as at December 31, 2015 and to increase 1,251,338,429 shares in total. After the increase, total share capital of the Company was increased to 1,698,245,011 shares.

As at December 31, 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 Lue 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 Street, Dapeng New District, Shenzhen. Legal representative: Chen Lue. 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.

The financial statements have been approved by the Board of Directors on August 10, 2017.

As at June 30, 2017, subsidiaries within the scope of the consolidated financial statements of the Company are as follows:

Name of subsidiaries
Sino Great Wall International Engineering Co., Ltd.

Beijing Sino Great Wall Decoration Design Co., Ltd.
Suzhou Lvbang Wood Technology Co., Ltd.
Herabenna Interior Design Guangzhou Co., Ltd.
Sino Great Wall Group Co., Limited
Shanghai Ling Rui International Trade Company Limited
Shenzhen Hongtulle Industrial Co., Ltd.
Inrich Me Engineering Co., Limited
Sino Great Wall New Energy (Beijing) Co., Ltd.
SINOGREATWALL(PHILIPPINES)INTERNATIONALCORPORITION
SGWHPEngineeringConstructionSDN.BHD
SINOGREATWALL ( USA ) INC
Shenzhen Yatian Decoration Design Engineering Co., Ltd.
Sino Great Wall International Engineering (MACAU) Co., Limited
SINO GREAT WALL INTERNETIONAL ENGINEERING(CNMI)CO.,LLC
Sino Great Wall (Beijing) Investment Fund Management Co., Ltd.
Sino Great Wall Real estate (Hubei) Co., Ltd.
Sino Great Wall Development (Hengqin) Co., Ltd.
PT.SINO GREAT WALL INVESTMENT INDONESIA
PT.SINO GREAT WALL CONSTRUCTION INDONESIA
SINO GREAT WALL INTERNETIONAL ENGINEERING(MM)CO.,LTD
Sino Great Wall Southwest Construction Engineering Co., Ltd.
Sino Great Wall Jianyee Engineering Co., Ltd.
Wuhan Commercial Workers Hospital Co., Ltd.

#### 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 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:

Nil

### **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.

### **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) Receivables that are individually significant but with provision for bad debts made on an individual basis:

(2) Provision for bad debts of accounts receivable made on credit risk characteristics portfolio basis:

Group Name	Method
------------	--------

For those subject to provision for bad debts under aging analysis method:

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%

Accounts on percentage basis in group:

Applicable Not applicable

Accounts on other basis in group:

Applicable Not applicable

(3) Receivables that are individually insignificant but with provision for bad debts made on an individual basis:

The Company complies with the disclosure requirements of the No.7 Industry Information Disclosure Guideline of Shenzhen Stock Exchange-the Listed Company that Engaged in Civil Engineering and Construction Business.

## 12. Inventories

Is the company subject to any disclosure requirements for special industries?

Yes

Civil Engineering Construction

### 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 be 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

Cost measurement

Depreciation or amortization method

The investment property refers to the real estate held for earning rentals or/and capital appreciation or both, including leased land use right, land use right held for transfer upon appreciation, and leased building (including self-built buildings or buildings developed for renting or buildings under construction or development for future renting).

The Company measures its existing investment property at cost. For investment properties measured with the cost model - in terms of buildings for renting, the same depreciation policy as that for fixed assets of the Company is adopted and land use rights for renting are implemented with the same amortization policy as that for intangible assets.

## 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 reliable 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	19-31.67

## (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

## 20.Oil & gas assets

## 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 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.

#### (2) Internal research and development expenditure accounting policy

### 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**

Is the company subject to any disclosure requirements for special industries?

Yes

Civil Engineering Construction

The Company complies with the disclosure requirements of the No.7 Industry Information Disclosure Guideline of Shenzhen Stock Exchange-the Listed Company that Engaged in Civil Engineering and Construction Business.

### **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.

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

Government subsidies related to assets are recognized as deferred income, and included in non-operating income by stages based on the useful life of the assets acquired and constructed; 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 current non-operating income 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 current non-operating income 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 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.

### 32. Other significant accounting policies and estimates

#### (1) Change of main accounting policies

##### (1) Implementation of the Provisions on the Accounting Treatment for Value-added Tax

On December 3, 2016, the Ministry of Finance promulgated the Provisions on the Accounting Treatment for Value-added Tax (Cai Kuai [2016] No.22), which apply to relevant transactions of the Company occurred since May 1, 2016. Main impacts of the provisions implementation of the Company are as follows:

Contents of and reasons for changes in accounting policies	Name and amount of the affected items in the financial statements
(1) Adjust the item "business taxes and surcharges" in the income statement to the item "taxes and surcharges" therein.	Taxes and surcharges
(2) Reclassify the real estate tax, land-use tax, vehicle and vessel use tax and stamp duty incurred by business operation activities of the enterprise since May 1, 2016 from "General and administrative expenses" to "Taxes and surcharges"	Increased taxes and surcharges in this year amount to RMB 433,364.39, and decreased general and administrative expenses in 2016

and the taxes incurred before May 1, 2016 will not be adjusted. The comparative data shall not be adjusted.	amount to RMB 433,364.39.
(3) Reclassify the item "taxes and surcharges payable" to transfer the VAT amount where income (or profit) has been recognized but the VAT has not been paid and which shall be recognized as the output tax amount into the item "other current liabilities" (or "other non-current liabilities"). Compared data shall not be adjusted. The comparative data shall not be adjusted.	Increased ending balance of other current liabilities amounted to RMB 30,382,980.72, and decreased ending balance of taxes and surcharges payable amounted to RMB 30,382,980.72.

## (2) Changes in significant accounting estimates

The Company had no changes in principal accounting estimates during the reporting period.

**33.Change of main accounting policies and estimations**

## (1)Change of main accounting policies

Applicable Not applicable

## (2) Change of main accounting estimations

Applicable Not applicable

**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	0、3、6、11、17
Urban maintenance and construction tax	Paid based on the actual business tax, VAT and consumption tax paid	1、5、7
Enterprise income tax	Calculated and paid at turnover tax actually paid.	15、25
Business tax	Calculated and paid at turnover tax actually paid.	3、5
Education surtax	Calculated and paid at turnover tax actually paid.	3
Local education surtax	Calculated and paid at turnover tax actually paid.	2

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

Name of taxpayer	Income tax rates
Sino Great Wall Co., Ltd.	25

Sino Great Wall Medical Investment Management Co., Ltd.	25
Sino Great Wall Infrastructure Investment Co., Ltd.	25
Wuhan Commercial Workers Hospital Co., Ltd.	25
Sino Great Wall International Engineering Co., Ltd.	15
Sino Great Wall Jianyee Engineering Co., Ltd.	25
Sino Great Wall (Beijing) Investment Fund Management Co., Ltd.	25
Sino Great Wall Real estate (Hubei) Co., Ltd.	25
Sino Great Wall New Energy (Beijing) Co., Ltd.	25
Qian'an Sino Solar Power Generation Co., Ltd.	25
Wu'an Juhe Photovoltaic Power Generation Co., Ltd.	25
Bozhou Guangcheng New Energy Co., Ltd.	25
Bozhou Zhaosheng Agricultural Technology Co., Ltd.	25
Bozhou Xieying Solar Power Generation Co., Ltd.	25
Shanghai Ling Rui International Trade Company Limited	25
Shenzhen Hongtulve Industrial Co., Ltd.	25
Sino Great Wall Development (Hengqin) Co., Ltd.	25
SINO GREAT WALL (USA) .INC	30
Herabenna Interior Design Guangzhou Co., Ltd.	25
Inrich Me Engineering Co., Limited	17
Sino Great Wall Southwest Construction Engineering Co., Ltd.	25
PT.SINO GREAT WALL INVESTMENT INDONESIA	25
PT.SINO GREAT WALL CONSTRUCTION INDONESIA	25
SINO GREAT WALL INTERNETIONAL ENGINEERING(CNMI)CO.,LLC	0%-5%
Shenzhen Yatian Decoration Design Engineering Co., Ltd.	25
Sino Great Wall International Engineering (MACAU) Co., Limited	12
Sino Great Wall Group Co., Limited	17
SGW HP EngineeringConstructionSDN.BHD	24
SINO GREAT WALL (PHILIPPINES) INTERNATIONAL CORPORITION	30
Beijing Sino Great Wall Decoration Design Co., Ltd.	25
Suzhou Lvbang Wood Technology Co., Ltd.	25
Sino Heji Environmental Protection Materials Co., Ltd.	25
SINO GREAT WALL INTERNETIONAL	25

ENGINEERING(MM)CO.,LTD	
Sino Great Wall International Engineering(Thailand) Co.,Ltd.	20

## 2. Tax preferences

(1) Approved by the Beijing Municipal Office, SAT under the Circular on Approval of Tax Types in 2013, the taxable income of Sino Great Wall Design was calculated at 10% of total income.

(2) 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. 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.

(3) 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.

(4) 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.

(5) The Company's wholly-owned subsidiary Wuhan Commercial Workers Hospital Co., Ltd. was entitled to the exemption of value-added taxes since May 1, 2016 in accordance with the Notice of the Ministry of Finance and the State Administration of Taxation on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (Cai Shui [2016] No.36).

## 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	3,388,678.83	2,974,883.16
Bank deposit	1,443,085,061.52	940,730,439.25
Other monetary capital	273,782,343.42	397,110,499.42
Total	1,720,256,083.77	1,340,815,821.83
Including: Total amount deposited abroad	231,737,123.34	197,496,287.50

Other notes

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

In RMB

Items	Yea-end balance	Year-Beginning balance
-------	-----------------	------------------------

Other notes

**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	3,900,000.00	21,300,446.44
Commercial acceptance bill	777,167,587.68	1,053,090,196.14
Total	781,067,587.68	1,074,390,642.58

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

In RMB

Items	Amount
Commercial acceptance bill	98,645,997.87
Total	98,645,997.87

(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, 2017	Amount underecognized as at June 30, 2017
Bank acceptance bill	9,800,000.00	
Commercial acceptance bill		57,789,095.11
Total	9,800,000.00	57,789,095.11

(4) There is no notes transferred to accounts receivable because drawer of the notes fails to exuted the contract or agreement

In RMB

Items	Amount
-------	--------

Other notes

**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 Proportion(%)	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	5,335,451,726.65	100.00%	506,485,348.85	9.49%	4,828,966,377.80	4,148,182,356.26	99.91%	423,012,147.95	10.20%	3,725,170,208.31
Receivables that are individually insignificant but with provision for bad debts made on an individual basis						3,844,309.34	0.09%	3,844,309.34		
Total	5,335,451,726.65	100.00%	506,485,348.85	9.49%	4,828,966,377.80	4,152,026,665.60	100.00%	426,856,457.29	10.20%	3,725,170,208.31

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			
Subtotal within 1 year	4,028,468,011.86	201,423,401.18	5%
1-2 years	680,439,169.63	68,043,916.96	10%
2-3 years	448,259,638.33	134,477,891.50	30%
3-4 years	135,205,169.22	67,602,584.61	50%
4-5 years	40,710,915.07	32,568,732.06	80%
Over 5 years	2,368,822.54	2,368,822.54	100%
Total	5,335,451,726.65	506,485,348.85	

Notes:

The Company complies with the disclosure requirements of the No.7 Industry Information Disclosure Guideline of Shenzhen Stock Exchange-the Listed Company that Engaged in Civil Engineering and Construction Business.

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

(2) Bad debt provision accrual collected or switch back

Bad debt provision accrual was RMB 78,876,794.46 ; The amount collected or switches back amounting to -130,997.72.

(3) The current accounts receivable write-offs situation

In RMB

Items	Amount written off
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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)
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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.	784,205,077.92	15	39,210,253.90
China Water Conservancy & Hydropower Second Engineering Bureau Co., Ltd.	514,481,654.72	10	25,724,082.74
Oxley Gem (Cambodia) Co., ltd.	309,592,365.55	6	15,479,618.28
Zhong Ya Group	300,703,393.02	6	15,035,169.65
Oxley Diamond (Cambodia) Co., Ltd	293,445,130.01	6	14,672,256.50
Total	2,202,427,621.22	42	110,121,381.07

(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	87,432,524.80	46.75%	311,193,306.31	97.49%
1-2 years	97,273,487.84	52.02%	5,789,414.72	1.81%
2-3 years	1,149,555.80	0.61%	1,269,897.25	0.40%
Over 3 years	1,147,010.34	0.61%	954,180.35	0.30%
Total	187,002,578.78	--	319,206,798.63	--

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
Qingyuan Hefeng New Energy Technology Co., Ltd.	75,000,000.000	40.11%
Guangzhou Qiannuo Company	6,962,022.1	3.72%
Anhui Yameiya	5,355,000.00	2.86%
QD-CPC-INDUSTRIES COMPANY	3,438,009.40	1.84%
China steel structure (Kampuchea) Co., Ltd.	3,130,526.29	1.67%
Total	93,885,558.29	50.21%

Other notes:

## 7. Interest receivable

(1) Classification Interest receivable

In RMB

Name	Balance in year-end	Balance in Year-beginning
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(2) Important overdue interest

Name	Balance in year-end	Overdue date	Reason	Is there any impairment and its judgment basis?
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Other notes:

**8.Dividend receivable**

## (1) Dividend receivable

In RMB

Items	Amount in year-end	Amount in year-beginning
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## (2) Dividend receivable aging over 1 years

In RMB

Items	Amount in year-end	Age	Reason	Whether the impairment and its judgment basis
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Other notes:

**9. Other accounts receivable**

## (1) Other accounts receivable disclosed by category

In RMB

Classification	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	Amount		Amount	Proportion(%)	Amount	Proportion(%)	
Other receivables subject to provision for bad debts on credit risk characteristics basis	991,698,810.35	100.00%	68,552,952.46	6.91%	923,145,857.89	709,527,391.05	99.93%	58,515,258.14	8.25%	651,012,132.91
Other receivables with individually insignificant amount but subject to individual provision for bad debts						500,000.00	0.07%	500,000.00		
<b>Total</b>	<b>991,698,810.35</b>	<b>100.00%</b>	<b>68,552,952.46</b>	<b>6.91%</b>	<b>923,145,857.89</b>	<b>710,027,391.05</b>	<b>100.00%</b>	<b>59,015,258.14</b>	<b>8.25%</b>	<b>651,012,132.91</b>

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			
Subtotal within 1 year	855,499,389.99	42,774,969.50	5.00%
1-2 years	91,500,049.08	9,150,004.91	10.00%
2-3 years	32,825,953.41	9,847,786.02	30.00%
3-4 years	9,775,052.72	4,887,526.36	50.00%
4-5 years	1,028,497.40	822,797.92	80.00%
Over 5 years	1,069,867.75	1,069,867.75	100.00%
Total	991,698,810.35	68,552,952.46	

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 12,514,988.27, the amount collected or switches back amounting to RMB 2,149,851.74.

Significant amount of reversed or recovered bad debt provision:

In RMB

Name	Amount	Method

(3) Other account receivables actually cancel after write-off

In RMB

Items	Amount

Of Which, Other receivable write-off:

In RMB

Name	Nature	Amount	Reason	program	Whether the money is generated by related party transactions

Notes:

(4) Other account receivables category by nature of money

In RMB

Naature	Ending book balance	Beginning book balance

Bidding margins, performance bonds and deposits	582,846,578.91	366,310,322.14
Petty cash and current accounts between individuals	69,312,517.17	59,867,918.12
Current accounts between entities	339,032,395.66	282,984,039.72
Others	507,318.61	865,111.07
<b>Total</b>	<b>991,698,810.35</b>	<b>710,027,391.05</b>

## (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	199,296,452.57	1 年以内	20.10%	9,964,822.63
PT.WANXIANG NICKEL INDONESIA	Deposits	68,000,000.00	1 年以内	6.86%	3,400,000.00
Hebei Xuxing Industry Co., Ltd.	Current accounts between entities	55,000,000.00	1 年以内	5.55%	2,750,000.00
China Harbour Engineering Company Ltd.	Deposits	51,258,276.00	1 年以内	5.17%	2,562,913.80
China Second Metallurgy Group Co., Ltd.	Performance bonds	50,000,000.00	1 年以内	5.04%	2,500,000.00
<b>Total</b>	--	<b>423,554,728.57</b>	--	<b>42.72%</b>	<b>21,177,736.43</b>

## (6) Account receivables with government subsidies involved

In RMB

Name	Project name	Amount in year-end	At the end of aging	Estimated time, amount and basis

## (7) Other account receivables recognition terminated due to transfer of financial assets

## (8) Other account receivables transferred and assets &amp; liability formed by its continuous involvement

Other Notes

**10.Inventory**

Whether the company needs to comply with the disclosure requirements of the particular industry

No

## (1) Inventory 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	9,258,863.69		9,258,863.69	12,078,945.75		12,078,945.75
Processing products				668,934.23		668,934.23
Stock goods	50,339,149.57	1,404,765.68	48,934,383.89	43,492,877.62	1,404,765.68	42,088,111.94
Construction contract has been completed unsettled assets	248,587,196.30	5,051,867.60	243,535,328.70	282,911,079.94	5,051,867.60	277,859,212.34
Low value consumables				209,726.10		209,726.10
Total	308,185,209.56	6,456,633.28	301,728,576.28	339,361,563.64	6,456,633.28	332,904,930.36

The Company complies with the disclosure requirements of the No.7 Industry Information Disclosure Guideline of Shenzhen Stock Exchange-the Listed Company that Engaged in Civil Engineering and Construction Business.

## (2) Inventory depreciation reserve

In RMB

Items	Year-beginning balance	Increase		Decrease		Year-end balance
		Accrual	Other	Switch back	Other	
Stock goods	1,404,765.68	0.00		0.00		1,404,765.68
Construction contract has been completed unsettled assets	5,051,867.60	0.00		0.00		5,051,867.60
Total	6,456,633.28					6,456,633.28

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

(4) Assets unsettled formed by construction contract which has completed at period-end

In RMB

Items	Amount
Accumulated Incurred Cost	13,922,688,136.75
Accumulated Confirmed Gross Profit	3,349,029,346.13
Less: expected loss	5,051,867.60
Settlement Amount	17,023,130,286.58
Unliquidated Completed Assets Formed in the Construction Contract	243,535,328.70

Other notes:

### 11. Divided into assets held for sale

In RMB

Items	Ending book value	Fair value	Estimated disposal cost	Estimated disposal time

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	7,961,594.15	13,462,942.89
Total	7,961,594.15	13,462,942.89

Other notes:

### 13. Other current assets

In RMB

Items	Year-end balance	Year-beginning balance
Input tax to be deducted	11,484,244.83	35,450,194.47
Total	11,484,244.83	35,450,194.47

Other notes:

**14. Available-for-sale financial assets**

## (1) Available-for-sale financial assets

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value

## (2) Available-for-sale financial assets measured at fair value at period-end

In RMB

Type	Available-for-sale equity instruments	Available-for-sale Debt instruments		Total

## (3) Available-for-sale financial assets measured by cost at the period-end

In RMB

Investee	Book balance				Impairment provision				Shareholding proportion among the investees	Cash bonus of the reporting period
	Period-begin	Increase	Decrease	Period-end	Period-begin	Increase	Decrease	Period-end		

## (4) Changes of the impairment of the available-for-sale financial assets during the reporting period

In RMB

Type	Available-for-sale Equity instruments	Available-for-sale Debt instruments		Total

## (5) Relevant description of the end of the fair value of the equity instruments at the end of a serious decline in fair value or non temporary decline but not related to impairment provision

In RMB

Project	Investment cost	Ending fair value	Decrease in fair value relative to cost	Continuous fall time (month)	Provision for impairment	Reasons for impairment

Other notes



**15. Held-to-maturity investment**

## (1) Held-to-maturity investment

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value

## (2) Important held-to-maturity investment at period-end

In RMB

Project	Face value	Interest rate	Actual interest rate	Expiring date

## (3) Reclassify of held-to-maturity investment in the period

Other notes

**16. Long-term account receivables**

## (1) Long-term account receivables

In RMB

Items	Year-end balance			Year-beginning balance			Discount rate range
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value	

## (2) Long-term account receivables recognition terminated due to transfer of financial assets

## (3) Long-term account receivables transferred and assets &amp; liability formed by its continuous involvement

**17. Long-term equity investment**

In RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision
		Add investment	Decreased investment	Gain/loss of Investment	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision	Other		

I. Joint ventures
II. Associated enterprises

Other notes

## 18. Investment real estate

(1) Investment real estate by cost measurement

Applicable  Not applicable

(2) Investment real estate by fair value

Applicable  Not applicable

(3) Investment real estate without certificate of ownership

In RMB

Items	Book value	Reason
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Other notes

## 19. Fixed assets

(1) List of fixed assets

In RMB

Items	House, building	Machinery equipment	Transportations	Other equipment	Total
I. Original price					
1. Balance at period-beginning	67,969,481.04	81,254,453.35	36,163,316.47	14,705,677.33	200,092,928.19
2. Increase in the current period	4,414,321.14	2,599,482.28	2,840,229.14	485,689.58	10,339,722.14
(1) Purchase	3,814,321.14	2,599,482.28	2,840,229.14	485,689.58	
(2) Transferred from construction in progress	600,000.00				
(3) Increased of Enterprise Combination					

3.Decreased amount of the period					
(1) Disposal					
4. Balance at period-end	72,383,802.18	83,853,935.63	39,003,545.61	15,191,366.91	210,432,650.33
II. Accumulated depreciation					
1.Opening balance	15,127,800.94	30,513,047.92	16,465,368.36	9,502,963.24	71,609,180.46
2.Increased amount of the period	4,623,216.53	3,631,775.51	2,075,612.47	1,147,688.56	11,478,293.07
(1) Withdrawal	4,623,216.53	3,631,775.51	2,075,612.47	1,147,688.56	11,478,293.07
3.Decrease in the reporting period					
(1) Disposal					
4.Closing balance	19,751,017.47	34,144,823.43	18,540,980.83	10,650,651.80	83,087,473.53
III. Impairment provision					
1.Opening balance					
2.Increase in the reporting period					
(1) Withdrawal					
3.Decrease in the reporting period					
(1) Disposal					
4. Closing balance					
IV. Book value					
1.Book value of the period-end	52,632,784.71	49,709,112.20	20,462,564.78	4,540,715.11	127,345,176.80
2.Book value of the period-begin	52,841,680.10	50,741,405.43	19,697,948.11	5,202,714.09	128,483,747.74

## (2) Fixed assets temporarily idled

In RMB

Items	Original book value	Accumulated depreciation	Provision for impairment	Book value	Remark

## (3) Fixed assets rented by finance leases

In RMB

Items	Original book value	Accumulated depreciation	Accumulated depreciation	Book value
Machinery equipment	1,626,791,238.70	102,540,637.32		1,524,250,601.38

## (4) Fixed assets leased in the operating leases

In RMB

Items	End book value

## (5) Fixed assets without certificate of title completed

In RMB

Items	Book value	Reason

Other notes

**20. Project under construction**

## (1) Project under construction

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Suzhou Lvbang Plant	842,027.15		842,027.15			
Kuwait tower cranes	2,946,270.27		2,946,270.27			
Total	3,788,297.42	0.00	3,788,297.42			

## (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	Capitalisation of interest accumulated balance	Including: Current amount of capitalisation of interest	Capitalisation of interest ratio (%)	Source of funds
Suzhou Lvbang Plant	6,478,670.79	0.00	842,027.15	0.00	0.00	842,027.15		100%	0.00	0.00	0.00%	自筹
Kuwait tower cranes	3,028,597.00	0.00	2,946,270.27	0.00	0.00	2,946,270.27		97%	0.00	0.00	0.00%	自筹
Total	9,507,267.79	0.00	3,788,297.42	0.00	0.00	3,788,297.42	--	--				--

## (3) Provision for impairment of construction projects

In RMB

Items	Amount	Reason
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Other notes

**21. Engineering Material**

In RMB

Items	Closing balance	Opening balance
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Other notes

**22. Disposal of fixed assets**

In RMB

Items	Closing balance	Opening balance
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Other notes:

**23. Productive biological assets**

## (1) Measured by cost

 Applicable  Not applicable

(2) Measured by fair value

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

(1) Information

In RMB

Items	Land use right	Patent	Non-patent Technology	Software	Total
I. Original price					
1. Opening balance	108,621,002.59			4,416,616.07	113,037,618.66
2. Increased amount of the period				40,800.00	40,800.00
(1) Purchase				40,800.00	40,800.00
(2) Internal Development					
(3) Increased of Enterprise Combination					
3. Decreased amount of the period					
(1) Disposal					
4. Balance at period-end	108,621,002.59	0.00	0.00	4,457,416.07	113,078,418.66
II. Accumulated amortization					
1. Balance at period-beginning	5,054,613.34			1,779,561.77	6,834,175.11
2. Increase in the current period	1,531,394.15			404,079.73	1,935,473.88
(1) Withdrawal	1,531,394.15			404,079.73	1,935,473.88

(2) Increased of Enterprise Combination	99,422.09				
3. Decreased amount of the period					
(1) Disposal					
4. Balance at period-end	6,586,007.49	0.00	0.00	2,183,641.50	8,769,648.99
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	102,034,995.10	0.00	0.00	22,273,774.57	104,308,769.67
2. Book value at period-beginning	103,566,389.25			2,637,054.30	106,203,443.55

The intangible assets by the end of the formation of the company's internal R & D accounted of the proportion of the balance of intangible assets

(2) Details of Land use right failed to accomplish certification of property

In RMB

Items	Book value	Reason
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Other notes:

**26. Development expenditure**

In RMB

Items	Beginning balance	Increase in the period	Decrease in period	Ending balance
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Other notes

**27. Goodwill**

## (1) Original book value of goodwill

In RMB

Name of the investees or the events formed goodwill	Opening balance	Increase	Decrease	Closing balance
Shenzhen Yatian Decoration Design Engineering Co., Ltd.	6,724,316.91	0.00	0.00	6,724,316.91
Shenzhen Yatian Decoration Design Engineering Co., Ltd.	17,948,978.53	0.00	0.00	17,948,978.53
Sino Great Wall Jianyee Engineering Co., Ltd.	6,943,534.86	0.00	0.00	6,943,534.86
Wuhan Commercial & Vocational Hospital Co.,Ltd	27,257,314.49	0.00	0.00	27,257,314.49
Total	58,874,144.79	0.00	0.00	58,874,144.79

## (2) Impairment provision of goodwill

In RMB

Name of the investees or the events formed goodwill	Opening balance	Increase	Decrease	Closing balance
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Notes of the testing process of goodwill impairment, parameters and the recognition method of goodwill impairment losses:

Other notes:

## 28. Long-term amortization expenses

In RMB

Items	Balance in year-begin	Increase at this period	Amortization at this period	Decrease	Balance in year-end
Renovation costs	12,028,199.87	0.00	2,695,428.86	0.00	9,332,771.01
Overseas guarantee fees	8,437,778.96	0.00	4,691,140.82	0.00	3,746,638.14
Less: Long-term borrowings maturing within one year	-13,462,942.90	5,501,348.75	0.00	0.00	-7,961,594.15
Amortization fees	0.00	0.00			0.00
<b>Total</b>	<b>7,003,035.93</b>	<b>5,501,348.75</b>	<b>7,386,569.68</b>	<b>0.00</b>	<b>5,117,815.00</b>

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	575,038,301.31	88,823,111.60	484,110,666.81	74,623,400.23
Deductible losses	2,193,494.11	548,373.53	2,265,150.21	566,287.55
Provision for inventory depreciation	6,456,633.28	1,108,971.56	6,456,633.28	1,108,971.56
<b>Total</b>	<b>583,688,428.70</b>	<b>90,480,456.69</b>	<b>492,832,450.30</b>	<b>76,298,659.34</b>

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

In RMB

Items	Balance in year-end		Balance in year-begin	
	Temporarily Deductible or Taxable Difference	Deferred Income Tax liabilities	Temporarily Deductible or Taxable Difference	Deferred Income Tax liabilities

## (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		90,480,456.69		76,298,659.34
Deferred income liabilities		26,513,069.28		27,469,888.77

## (4) Details of income tax assets not recognized

In RMB

Items	End of term	Beginning of term
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## (5) The un-recognized deductible losses of deferred income tax assets will due in the following years:

In RMB

Year	End of term	Beginning of term	Remark
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Other notes:

**30 .Other non-current assets**

In RMB

Items	Closing balance	Opening balance
PPP project investment	300,279,100.00	48,960,000.00
Advances for purchase of long-term assets	64,913,773.00	67,942,258.30
Total	365,192,873.00	116,902,258.30

Other notes:

**31 .Short-term loans**

## (1) Category of short-term borrowings

In RMB

Items	End of term	Beginning of term
Guaranteed borrowings	2,692,397,500.00	1,621,515,110.00
Commercial acceptance bills endorsed or discounted but not expired on the balance sheet date	57,789,095.11	344,543,247.59
Total	2,750,186,595.11	1,966,058,357.59

Notes to short-term borrowings:

## (2) Situation of Overdue Outstanding Short-Term Borrowing

Final overdue outstanding short-term borrowing was zero, and situation of important overdue outstanding short-term borrowing was as follows:

In RMB

Unit	Closing balance	Interest rate	Time	Overdue interest rate
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Other notes:

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

In RMB

Items	Closing balance	Opening balance
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Other notes:

### 33. Derivative financial liabilities

Applicable  Not applicable

### 34. Note payable

In RMB

Type	Closing balance	Opening balance
Commercial acceptance	354,206,203.17	397,450,000.00
Bank acceptance	251,951,880.00	309,433,375.54
Total	606,158,083.17	706,883,375.54

Amount due in next fiscal period is RMB 0.00.

### 35. Account payable

#### (1) Account payable

In RMB

Items	Closing balance	Opening balance
Payments for projects	1,483,162,799.23	1,295,611,654.20
Payments for purchase of long-term assets		7,923,625.18
Payment for purchase of medicines	22,304,037.68	10,413,710.87
Total	1,505,466,836.91	1,313,948,990.25

#### (2) Significant accounts payable that aged over one year

In RMB

Items	Balance in year-end	The reason for not repaid or carried forward
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CHHE GROUP CO.LTD	15,071,239.84	RMB 3579983.74 for those within 1 year and RMB 11950077.17 within 1-2 years
Rezayat Trading Co. Limited	8,944,679.73	RMB 730929 For those within 1 year and RMB8318312.92 within 1-2 years
Total	24,015.919.57	--

Other notes:

### 36. Accounts received in advance

#### (1)Accounts received in advance

In RMB

Items	End of term	Beginning of term
Project engineering Fund	532,197,371.32	572,743,695.28
Accounts received in advance	1,202,047.48	1,040,377.30
Total	533,399,418.80	573,784,072.58

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

In RMB

Items	Closing balance	Reason

#### (3) Information of unliquidated completed assets formed in the construction contract at the end of the period

In RMB

Items	Amount

Other notes:

### 37. Employee compensation payable

#### (1)Classification of employee compensation payable

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end
I. Short-term remuneration	17,637,749.42	160,032,879.27	160,309,543.14	17,361,085.55
II. Post-employment benefits - defined contribution plans	1,159,797.27	7,062,149.91	7,066,018.58	1,155,928.60

Total	18,797,546.69	167,095,029.18	167,375,561.72	18,517,014.15
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## (2) Short-term remuneration

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end
1. Wages, bonuses, allowances and subsidies	16,916,964.73	142,403,319.93	142,743,934.89	16,576,349.77
2. Employee welfare		9,415,357.39	9,415,357.39	0.00
3. Social insurance premiums	620,944.70	4,806,277.64	4,707,985.82	719,236.52
Including: Medical insurance	516,068.74	4,233,553.51	4,236,120.73	513,501.52
Work injury insurance	26,369.92	373,981.55	131,371.45	93,741.05
Maternity insurance	78,506.04	3,380,951.59	340,493.64	111,993.95
4. Public reserves for housing	99,839.99	3,380,951.59	3,415,292.32	65,499.26
5. Union funds and staff education fee		26,972.72	26,972.72	0.00
Total	17,637,749.42	160,032,879.27	160,309,543.14	17,361,085.55

## (3) Defined contribution plans listed

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end
1. Basic old-age insurance premiums	1,130,824.85	6,804,645.45	6,808,963.49	1,126,506.81
2. Unemployment insurance	28,972.42	257,504.46	257,055.09	29,421.79
Total	1,159,797.27	7,062,149.91	7,066,018.58	1,155,928.60

Other notes:

## 38. Taxes payable

In RMB

Items	Closing balance	Opening balance
VAT	63,910,297.09	12,062,605.90
Enterprise Income tax	163,853,558.60	207,849,865.19
Individual income tax	760,062.36	1,515,889.41
City Construction tax	3,970,922.75	4,725,964.11

Educational surtax	3,096,846.87	3,694,729.45
Stamp Tax	244,211.68	336,646.62
Other	80,990,163.21	83,297,969.10
Land use tax	47,718.08	
Land use tax	34,225.74	
<b>Total</b>	<b>316,908,006.38</b>	<b>313,483,669.78</b>

Other notes:

### 39. Interest payable

In RMB

Items	Closing balance	Opening balance
Interest payable on short-term borrowings	3,435,696.74	4,710,255.00
Interest payable on long-term borrowings	2,108,821.81	1,718,238.55
<b>Total</b>	<b>5,544,518.54</b>	<b>6,428,493.55</b>

Particulars of significant overdue unpaid interest:

In RMB

Name	Overdue amount	Overdue reason

Other notes:

### 40. Dividends payable

In RMB

Items	Closing balance	Opening balance
Common stock dividend	101,894,700.66	
<b>Total</b>	<b>101,894,700.66</b>	

Note: Including significant unpaid dividends payable over one year, the unpaid reason shall be disclosed:

### 41. Other accounts payable

(1) Other accounts payable listed by nature of the account

Items	Closing balance	Opening balance
Bidding margins, performance bonds and deposits	23,002,897.46	26,582,761.45
Current accounts between individuals and withholding payables	23,743,153.38	45,650,286.49
Lendings to shareholders		
Current accounts between entities	218,528,449.91	136,613,997.74
Others	208,110.36	13,567,929.33

Total	265,482,611.11	222,414,975.01
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## (2) Other payables with large amount and aging of over one year

In RMB

Items	Ending balance	Reason
Shenzhen Qunguangshun Construction Labor Co., Ltd.	31,500,000.00	Unexpired yet
Total	31,500,000.00	--

Other notes:

**42. Divided into liability held for sale**

In RMB

Items	Closing balance	Opening balance
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Other notes:

**43. Non-current liabilities due within 1 year**

In RMB

Items	Closing balance	Opening balance
Long-term loans due 1 year	814,408,879.06	175,958,998.04
Total	814,408,879.06	175,958,998.04

Other notes:

**44. Other current liabilities**

In RMB

Items	Closing balance	Opening balance
Output tax to be carried forward		30,382,980.72
Total		30,382,980.72

Increase or decrease in short-term bonds payable:

In RMB

Name	Par value	Issuing date	Term	Issuing amount	Amount in year-begin in	This issue	Interest	Premium and discount amortiation	This period for repayment	Balance in year-end
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Other notes:

#### 45. Long-term loan

##### (1) Category of long-term loan

In RMB

Items	Balance in year-end	Balance in year-begin
Pledged borrowings	100,000,000.00	500,000,000.00
Mortgage borrowings	3,746,159.00	3,175,860.22
Guarantee loan	340,595,435.32	283,683,018.60
Total	444,341,594.32	786,858,878.82

Notes of short-term loans category:

Other notes including interest rate range:

#### 46. Bond payable

##### (1) Bond payable

In RMB

Items	Closing balance	Opening balance
Qianhai Wutong Private bond No.2016070	100,000,000.00	
Total	100,000,000.00	

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

In RMB

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

(4) Other financial instruments that are classified as financial liabilities

The issuance of preferred stock and other financial instruments such as perpetual debt

Table of changes in financial instruments such as preferred stock and perpetual debt

In RMB

External financial instruments	Balance in year-begin		Increase at this period		Decrease at this period		Balance in year-end	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value



Notes

**47. Long-term payable**

(1) Long-term payable listed by nature of the account

In RMB

Items	Closing balance	Opening balance
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Other notes:

**48. Long-term employee salary payable**

(1) Long-term employee salary payable

In RMB

Items	Closing balance	Opening balance
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(2) Changes of defined benefit plans

Present worth of defined benefit plans obligation:

In RMB

Items	Closing balance	Opening balance
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Plan assets:

In RMB

Items	Closing balance	Opening balance
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Net liabilities(net assets) of defined benefit plans

In RMB

Items	Closing balance	Opening balance
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Notes to the influence of the content and related risk of defined benefit plans to the future cash flows, time and uncertainty of the Company:

Notes to analysis results of major actuarial assumptions and sensibility of defined benefit plans

Other notes:

**49. Specific payable**

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end	Reason
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Other notes:

**50. Estimates liabilities**

In RMB

Items	Balance in year-end	Balance in year-begin	Reason
Pending litigation	4,878,343.68	13,225,861.70	Provision for pending litigation of the Company
Total	4,878,343.68	13,225,861.70	--

Other notes:

**51. Deferred income**

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end	Reason
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Details of government subsidies

In RMB

Items	Beginning of term	New subsidy in current period	Amount transferred to non-operational income	Other changes	End of term	Asset-related or income-related
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Other notes:

**52. Other Non-current liabilities**

In RMB

Items	Closing balance	Opening balance
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Other notes:

**53. Stock capital**

In RMB

	Balance Year-beginning	Increase/decrease this time (+, -)					Balance year-end
		Issuing of new share	Bonus shares	Transferred from reserves	Other	Subtotal	
Total of capital shares	1,698,245,011.00						1,698,245,011.00

Other notes:

## 54. Other equity instruments

(1) Basic information of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

(2) Change list of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

In RMB

Financial instruments outstanding issued	Opening period		Increase		Decrease 少		Closing period	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Changes, reason of change and basis of relevant accounting treatment of other equity instruments in reporting period:

Notes:

## 55. Capital reserves

In RMB

Items	Year-beginning balance	Increase in current	Decrease in current	Year-end balance
Share premium	-857,285,524.28			-857,285,524.28
Other	-442,064,177.46		4,222,250.95	-446,286,428.41
Total	-1,299,349,701.74		4,222,250.95	-1,303,571,952.69

Other notes, including changes and reason of change:

## 56. Treasury stock

In RMB

Items	Year-beginning balance	Increase in the current	Decrease in the current period	Year-end balance

Other notes, including changes and reason of change:

## 57. Other comprehensive income

In RMB

Items	Year-beginning balance	Amount of current period					Year-end balance
		Amount for the period before income tax	Less : Previously recognized in profit or loss in other comprehensive income	Less: Income tax	After - tax attributable to the parent company	After - tax attributable to minority shareholders	

Other notes, including the adjustment of the recognition of initial amount of effective part of the cash flow

hedging gains and losses

## 58. Special reserves

In RMB

Items	Year-beginning balance	Increase in the current	Decrease in the current period	Year-end balance
Safety production cost	65,687,868.14	35,597,306.04	19,457,286.50	81,827,887.68
Total	65,687,868.14	35,597,306.04	19,457,286.50	81,827,887.68

Other notes, including changes and reason of change:

## 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

Other note, including changes and reason of change

## 60. Retained profits

In RMB

Items	Amount of current period	Amount of previous period
After adjustments: Retained profits at the period beginning	1,228,970,498.86	755,308,636.19
Dividend of common stock payable	1,395,800,181.16	959,222,073.64
Retained profits at the period end		

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	3,024,948,121.79	2,319,597,133.26	1,953,458,815.17	1,460,727,131.33
Other business	134,235.01	1,482.50	115,940.34	
Total	3,025,082,356.80	2,319,598,615.76	1,953,574,755.51	1,460,727,131.33

### 62. Business tax and subjoin

In RMB

Items	Amount of current period	Amount of previous period
Urban construction tax	1,042,829.78	490,781.57
Education surcharg	655,066.85	407,123.13
Property tax	68,451.48	
Land use tax	47,718.08	
Stamp tax	128,521.10	
Other		8,128,747.41
Total	1,942,587.29	9,026,652.11

Other notes

### 63.Sales expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage	4,603,916.86	3,018,618.91
Office fee	4,078,158.29	3,108,540.71
Travel	393,660.38	561,434.40
Business expenses	128,844.14	217,201.30
Advertising	47,834.95	2,675.00
Advertising	7,849,265.92	1,844,249.85
Other	992,905.85	506,544.07
Total	18,094,586.39	9,259,264.24

Other notes:

**64. Administrative expenses**

In RMB

Items	Amount of current period	Amount of previous period
Wage	68,871,087.57	55,087,982.62
Office fee	8,687,944.68	6,868,345.55
Rental fees	7,347,823.86	8,847,563.59
Travel expenses	5,571,017.05	6,178,764.80
Entertainment expenses	3,996,369.24	4,279,243.33
Depreciation of fixed assets	6,270,469.80	1,049,628.12
Vehicle costs	1,479,810.31	1,406,039.97
Amortization of long-term prepaid expenses	1,939,541.82	2,346,368.89
Consulting fees	7,555,211.52	14,430,715.98
Entertainment expenses	823,301.14	1,465,461.90
Factoring fee		1,408,333.33
Conference expenses	58,389.00	120,939.59
Tax fee	311,342.47	256,826.82
Cultivate fee	37,574.26	5,041.50
Insurance fee	582,826.56	3,473.00
Other	10,713,417.51	9,186,385.90
Transportation changes	930,631.36	52,639.40
<b>Total</b>	<b>125,176,758.15</b>	<b>112,993,754.29</b>

Other notes:

**65. Financial expenses**

In RMB

Items	Amount of this period	Amount of last period
Interest expenses	96,401,355.73	130,325,289.46
Less: Interest income	4,508,510.14	3,936,374.12
Gains or losses on exchange	28,659,038.33	-75,709,807.87
Discount interest	2,767,616.98	19,445,217.45
Guarantee expenses	8,617,206.29	
Handling charges and others	7,875,102.40	57,312,903.03
<b>Total</b>	<b>139,811,809.59</b>	<b>70,024,674.60</b>

Other notes:

**66. Loss of assets impairment**

In RMB

Items	Amount of this period	Amount of last period
Losses on bad debts	89,110,933.27	78,474,915.67
Losses on inventory depreciation		52,180.60
Total	89,110,933.27	78,527,096.27

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

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	0.00	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

**70. Non-operating 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	
Government Subsidy	60,363.52		

Demolition compensation		29,071,295.00	
Other	4,384,261.26	2,040.00	
Total	4,444,624.78	29,133,269.00	

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

Other notes:

### 71. Non-operating expenses

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Compensation for demolition and relocation		2,755,912.00	
Other	93,122.33		
Total	93,122.33	2,755,912.00	

Other notes:

### 72. Income tax expenses

(1) Table of income tax expenses

In RMB

Items	Amount of current period	Amount of previous period
Current income tax expenses	68,435,528.34	48,703,354.96
Deferred income tax expenses	-12,208,390.09	-10,840,595.13
Total	56,227,138.25	37,862,759.83

(2) Adjustment progress of accounting profit and income tax

In RMB

Items	Amount of current period
Total profits	335,698,568.80



Income tax expense	56,227,138.25
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Other notes

### 73 .Other comprehensive income

More details can be seen in Note.

### 74.Items of Cash flow statement

#### (1) Other cash received from business operation

In RMB

Items	Amount of current period	Amount of previous period
	2,967,473,297.47	339,397,760.63
Total	2,967,473,297.47	339,397,760.63

Notes:

#### (2)Other cash paid related to operating activities

In RMB

Items	Amount of current period	Amount of previous period
Handling charges	9,715,737.69	10,189,145.12
Margin and deposit expenses	390,616,487.26	39,131,360.77
Selling expenses	1,218,208.55	871,447.72
General and administrative expenses	103,574,686.71	76,645,222.04
Current accounts	2,939,598,205.33	928,164,050.00
Total	3,444,723,325.54	1,055,001,225.65

Notes:

#### (3) Other Cash received related to investment activities

In RMB

Items	Amount of current period	Amount of previous period

Notes:

#### (4) Other Cash payable related to investment activities

In RMB

Items	Amount of current period	Amount of previous period

## Notes

## (5) Other Cash received related to Financing activities

In RMB

Items	Amount of current period	Amount of previous period
		103,516,162.13
Total		103,516,162.13

Notes:

## (6) Other Cash payable related to Financing activities

In RMB

Items	Amount of current period	Amount of previous period
	60,833.33	561,003,771.39
Total	60,833.33	561,003,771.39

Notes:

**75. Supplement Information for cash flow statement**

## (1) Supplement Information for cash flow statement

In RMB

Supplement Information	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities	--	--
Net profit	279,471,430.55	201,577,648.33
Add: Impairment loss provision of assets	89,110,933.27	78,527,096.27
Depreciation of fixed assets, oil and gas assets and consumable biological assets	6,270,469.80	1,119,746.80
Amortization of intangible assets	1,754,011.80	439,145.36
Amortization of Long-term deferred expenses	1,939,541.82	2,276,250.23
Financial cost	139,811,809.59	70,024,674.60
Decrease in deferred income tax assets	-14,181,797.35	-11,803,334.90
Increased of deferred income tax liabilities	-956,819.50	-15,444.16
Decrease of inventories	30,297,693.75	-77,722,883.82
Decease of operating receivables	-1,224,519,302.24	-2,294,877,180.26

Increased of operating Payable	155,004,448.32	773,838,322.35
Net cash flows arising from operating activities	-535,997,580.19	-1,256,615,959.20
II. Significant investment and financing activities that without cash flows:	--	--
III. Movement of cash and cash equivalents:	--	--
Ending balance of cash equivalents	1,446,473,740.35	611,121,476.88
Less: Beginning balance of cash equivalents	943,705,322.41	582,743,756.81
Net increase of cash and cash equivalents	502,768,417.94	28,377,720.07

## (2) Composition of cash and cash equivalents

In RMB

	Amount
Including	--
Including	--
Including	--

Other notes:

## (3) Net Cash receive of disposal of the subsidiary

In RMB

	Amount
Including	--
Including	--
Including	--

Other notes:

## (4) Composition of cash and cash equivalents

In RMB

Items	Balance in year-end	Balance in year-Beginning
I. Cash	1,446,473,740.35	943,705,322.41
III. Balance of cash and cash equivalents at the period end	1,446,473,740.35	943,705,322.41

Other notes:

**76. Note of statement of changes in the owner's equity**

Explain "other" project name and adjustment amount of the adjustment of closing balance in previous year, etc.:

Nil

**77. The assets with the ownership or use right restricted**

In RMB

Items	Book value in year-end	Reason
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Other notes:

**78. Foreign currency monetary items**

## (1) Foreign currency monetary items

In RMB

Items	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Including: USD	33,816,938.40	6.7744	229,089,468.49
HKD	-8,234,837.94	0.8679	-7,147,214.61
Rials	31,097.75	1.8568	57,742.31
Rupee	269,427,343.24	0.0438	11,809,000.45
pataca	109,600.89	0.8264	90,570.89
Peso	10,085,495.29	0.1340	1,351,456.38
Kyat	20,512,343.15	0.0049	100,305.36
Ringgit	1,508,191.53	1.5779	2,379,751.85
Dinar (Kuwait)	104,883.85	22.3364	2,342,727.64
Rouble	3,135,458.67	0.1142	358,069.38
THB	420,982.91	0.1993	83,914.52
Including: USD	118,593,051.33	6.7744	803,396,766.93
Rupee	1,182,656,378.30	0.0438	51,835,829.06
pataca	1,362,817.67	0.8264	1,126,191.64
Dinar (Kuwait)	47,478,207.47	22.3364	1,060,492,233.33
Rials	277,150,183.20	1.8568	514,612,460.17
Ringgit	58,282,333.00	1.5779	91,962,782.44
Dinar(Algeria)	24,867,193.21	0.0626	1,556,934.97
Advances to suppliers			
Including: USD	2,555,658.93	6.7744	17,313,055.86
Rials	16,552,970.07	1.8568	30,735,554.83
Rupee	5,924,310.66	0.0438	259,662.54
Dinar (Kuwait)	1,023,018.55	22.3364	22,850,551.54
Other receivable			
Including: USD	7,432,468.55	6.7744	50,350,514.95
HKD	356,732.06	0.8679	309,614.89
Rupee	20,641,209.29	0.0438	904,704.20

Ringgit	669,499.59	1.5779	1,056,392.94
Peso	146,997.00	0.1340	19,697.60
Dinar(Algeria)	1,988,230.25	0.0626	124,483.10
Kyat	1,937,932.91	0.0049	9,476.49
THB	3,127,800.00	0.1993	623,464.37
riyal	111,041,331.00	1.8568	206,181,543.40
Euro	15,000,000.00	7.7496	116,244,000.00
Dinar (Kuwait)	1,415,831.68	22.3364	31,624,582.74
Account payable			
Including: USD	48,671,722.90	6.7744	329,721,719.62
Riyal	7,458,671.85	1.8568	13,849,261.89
Rupee	363,137,877.76	0.0438	15,916,333.18
Peso	44,130.43	0.1340	5,913.48
Ringgit	20,163,759.48	1.5779	31,816,080.98
Kyat	1,336,107,728.00	0.0049	6,533,566.79
Dinar (Kuwait)	6,108,370.68	22.3364	136,439,010.86
Advances from customers			
Including: USD	1,255,736.84	6.7744	8,506,863.65
Dinar(Algeria)	109,160,169.07	0.0626	6,834,518.19
Euro	1,998,722.68	7.7496	15,489,301.28
THB	3,299,680.02	0.1993	657,725.22
Other payable			
Including: USD	822,106.20	6.7744	5,569,276.24
Peso	8,447.15	0.1340	1,131.92
riyal	142,769.54	1.8568	265,094.48
HKD	120,030,000.00	0.8679	104,176,437.60
Dinar (Kuwait)	287,361.27	22.3364	6,418,616.27

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

## 79. Hedging

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

## 80. 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

Other notes:

#### (2) Combination cost and goodwill

In RMB

Combination cost	
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Notes to determination method, consideration and changes of fair value of combined cost:

The main formation reason for the large goodwill:

Other notes:

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

In RMB

	Fair value on the acquisition date	Book value on the acquisition date

Determination method for fair value of the identifiable assets and liabilities:

Contingent liability of the acquiree bear during combination:

Other explanation:

(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:

(2) Combination cost

In RMB

Combination cost

Notes to contingent consideration or other changes:

Other notes:

(3) The book value of the assets and liabilities of the combined party at combining date

In RMB

	Combination date	Last closing period

Notes to contingent consideration or other changes:

Other notes:

3. Counter purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process.

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

Notes to reasons for the changes in combination scope (Newly established subsidiary and subsidiary of liquidation) and relevant information:

6. Other

**IX. Equity in other entities**

## 1. Equity in subsidiary

## (1) The structure of the enterprise group

Name of subsidiaries	Principal place of business	Registered place	Nature of business	Shareholding ratio (%)		Way of acquisition
				Directly	Indirectly	
Sino Great Wall Medical Investment Management Co., Ltd.	Beijing	Beijing	Medical investment	100		Establishment
Sino Great Wall Infrastructure Investment Co., Ltd.	Beijing	Beijing	Investment management, import and export	100		Establishment
Wuhan Commercial Workers Hospital Co., Ltd.	Wuhan	Wuhan	Health care	100		Acquisition
Sino Great Wall International Engineering Co., Ltd.	Beijing	Beijing	Decoration	100		Acquisition
Sino Great Wall Jianyee Engineering Co., Ltd. (formerly known as Sichuan Haoyao Constructional Engineering Co., Ltd.)	Chengdu	Chengdu	Construction	60		Acquisition
Sino Great Wall (Beijing) Investment Fund Management Co., Ltd.	Beijing	Beijing	Investment and property management; economy and trade consulting	100		Establishment
Sino Great Wall Real Estate (Hubei) Co., Ltd.	Wuhan	Wuhan	Real estate development	80		Establishment
Sino Great Wall New Energy (Beijing) Co., Ltd.	Beijing	Beijing	New energy technology	100		Establishment
Qian'an Sino Solar Power Generation Co., Ltd.	Qian'an	Qian'an	Solar photovoltaic power station	100		Establishment
Wu'an Juhe Photovoltaic Power Generation Co., Ltd.	Wu'an	Wu'an	Solar photovoltaic power generation	100		Establishment
Bozhou Guangcheng New Energy Co., Ltd.	Bozhou	Bozhou	Solar power generation	100		Establishment
Bozhou Zhaosheng Agricultural Technology Co., Ltd.	Bozhou	Bozhou	Agriculture	100		Establishment
Bozhou Xieying Solar Power Generation Co., Ltd.	Bozhou	Bozhou	Solar power generation	100		Establishment
Shanghai Ling Rui International Trade Company Limited	Shanghai	Shanghai	Trade	100		Establishment
Shenzhen Hongtulve Industrial Co., Ltd.	Shenzhen	Shenzhen	Investment, research and development and sales, trade as well as import and export	100		Establishment
Sino Great Wall Development (Hengqin) Co., Ltd.	Zuhai	Hengqin	Design and construction	85		Establishment



Name of subsidiaries	Principal place of business	Registered place	Nature of business	Shareholding ratio (%)		Way of acquisition
				Directly	Indirectly	
SINO GREAT WALL (USA). INC	The United States	The United States	Commercial activities allowed by law	100		Establishment
Herabenna Interior Design Guangzhou Co., Ltd.	Guangzhou	Guangzhou	Design	100		Establishment
Inrich Me Engineering Co., Limited	Hong Kong	Hong Kong	Mechanical and electrical engineering, scientific research, trade and investment consulting	100		Establishment
Sino Great Wall Southwest Construction Engineering Co., Ltd. (formerly known as Sichuan Dinghui Construction Co., Ltd.)	Chengdu	Chengdu	Construction	100		Acquisition
PT.SINO GREAT WALL INVESTMENT INDONESIA	Indonesia	Indonesia	Real estate or lease	99.9		Establishment
PT.SINO GREAT WALL CONSTRUCTION INDONESIA	Indonesia	Indonesia	Construction	67		Establishment
SINO GREAT WALL INTERNETIONAL ENGINEERING(CNMI)CO.,LLC	Saipan	Saipan	Design and construction	100		Establishment
Shenzhen Yatian Decoration Design Engineering Co., Ltd.	Shenzhen	Shenzhen	Design and construction	100		Acquisition
Sino Great Wall International Engineering (MACAU) Co., Limited	Macao	Macao	Design and construction	96	4	Establishment
Sino Great Wall Group Co., Limited	Hong Kong	Hong Kong	Construction, design, trade and investment consulting	100		Establishment
SGW HP EngineeringConstructionSDN.BHD	Malaysia	Malaysia	Design and construction	100		Establishment
SINO GREAT WALL (PHILIPPINES) INTERNATIONAL CORPORATION	Philippines	Philippines	Building construction and import and export trade	100		Establishment
Beijing Sino Great Wall Decoration Design Co., Ltd.	Beijing	Beijing	Design and consulting	100		Establishment
Suzhou Lvbang Wood Technology Co., Ltd.	Suzhou	Suzhou	Production and sales	100		Establishment
Sino Heji Environmental Protection Materials Co., Ltd.	Heji	Heji	Production and sales	80		Establishment
SINO GREAT WALL INTERNETIONAL ENGINEERING(MM)CO.,LTD	Myanmar	Myanmar	Design and construction	80		Establishment
Sino Great Wall International Engineering (Thailand) Co., Ltd.	Thailand	Thailand		48.998		Establishment

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:

(2) Significant not wholly owned subsidiary

In RMB

Name of Subsidiary	Shareholding Ratio of Minority Shareholders (%)	Profit or Loss Owned by the Minority Shareholders in the Current Period	Dividends Distributed to the Minority Shareholders in the Current Period	Equity Balance of the Minority Shareholders in the End of the Period

Holding proportion of minority shareholder in subsidiary different from voting proportion:

Other notes:

(3) The main financial information of significant not wholly owned subsidiary

In RMB

Name	Year-end balance						Year-beginning balance					
	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities	Current assets	Non current assets	Total assets	Current Liabilities	Non current liabilities	Total liabilities

Name	Amount of current period				Amount of previous period			
	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities	Business income	Net profit	Total Comprehensive income	Cash flows from operating activities

Other notes:

(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

Other notes

2. The transaction of the Company with its owner's equity share changed but still controlling the 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

In RMB

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Other notes

## 3. Equity in joint venture arrangement or associated enterprise

## (1) Significant joint venture arrangement or associated enterprise

Name	Main operating place	Registration place	Business nature	Proportion		Accounting treatment of the investment of joint venture or associated enterprise
				Directly	Indirectly	

Notes to holding proportion of joint venture or associated enterprise different from voting proportion:

Basis of holding less than 20% of the voting rights but has a significant impact or holding 20% or more voting rights but does not have a significant impact:

## (2) Main financial information of Significant joint venture

In RMB

	Amount of current period	Amount of previous period

Other notes

## (3) Main financial information of significant associated enterprise

In RMB

	Amount of current period	Amount of previous period

Other notes

## (4) Summary financial information of insignificant joint venture or associated enterprise

In RMB

	Amount of current period	Amount of previous period
Joint venture:	--	--
The total number of the following	--	--
Associated enterprise:	--	--
The total number of the following	--	--

Other notes

In RMB

(5) Note to the significant restrictions of the ability of joint venture or associated enterprise transfer funds to the Company

## (6) The excess loss of joint venture or associated enterprise

In RMB

Name	The cumulative recognized losses in previous accumulatively derecognied	The derecognized losses or the share of net profit in reporting period	The noncumulative unrecognized losses in reporting period

## Other notes

(7) The unrecognized commitment related to joint venture investment

(8) Contingent liabilities related to joint venture or associated enterprise investment

## 4. Significant common operation

Name	Main operating place Registration place	Registration place	Business nature	Proportion/share portion	
				Directly	Indirectly

Note to holding proportion or share portion in common operation different from voting proportion:

Basis of common operation as a single entity, classify as common operation

## Other notes

5. Equity of structure entity not including in the scope of consolidated financial statements

Related notes to structure entity not including in the scope of consolidated financial statements

6. Other

**X. The risk related financial instruments****XI. The disclosure of the fair value**

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

In RMB

Items	Closing fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
II. Consistent fair value	--	--	--	--
II. Inconsistent fair valuemeasurement	--	--	--	--

2. Market price recognition basis for consistent and inconsistent fair value measurement items at level 1

3. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 2

4. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 3

5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and closing book value of consistent fair value measurement items at level 3

6. Explain the reason for conversion and the policy governing when the conversion happens if conversion happens among consistent fair value measurement items at different levels

7. Changes in the valuation technique in the current period and the reason for change

8. Fair value of financial assets and liabilities not measured at fair value

9. Other

**XII. Related party and related party transactions**

1. Parent company information of the enterprise

Name	Registered address	Nature	Registered capital	The parent company	The parent company
------	--------------------	--------	--------------------	--------------------	--------------------

				of the Company's shareholding ratio	of the Company's vote ratio
--	--	--	--	--	--------------------------------

Notes

The final control of the company was:

Other notes:

## 2. Subsidiaries of the Company

Situation of the enterprise subsidiaries refer to the Notes.

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

The details of significant joint venture and associated enterprise of the Company

Information on other joint venture and associated enterprise of occurring related party transactions with the

Company in reporting period, or form balance due to related party transactions in previous period:

ious period:

Name	Relationship
------	--------------

Other notes

## 4. Other Related parties information of the enterprise

Other Related parties name	Relation of other Related parties with the company
----------------------------	--

Other notes

## 5. Related transactions.

## (1) Related transactions on purchasing goods and receiving services

Acquisition of goods and reception of labor service

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period	Over the trading limit or not?	Amount of last period
-----------------	--------------------------------	--------------------------	---------------------------	--------------------------------	-----------------------

Related transactions on sale goods and receiving services

In RMB

Related parties	Content of related transaction	Amount of current period	Amount of previous period
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Notes

## (2) Related trusteeship or contracting

Related trusteeship or contracting in which the Company is the undertake

In RMB

Name of the employer	Name of the undertaker	Asset situation of the undertaker	Start date	Terminating date	Pricing basis	Gains from the deal in report
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						period
--	--	--	--	--	--	--------

Notes

## (3) Information of related lease

The company eas lessor:

In RMB

Name of lessee	Category of leased assets	The lease income confirmed in this year	The lease income confirmed in last year
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The Company was lessee:

In RMB

Lessor	Category of leased assets	The lease income confirmed in this year	Category of leased assets
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Notes

## (4) Related guarantee condition

The Company as a guarantor

In RMB

Guarantor	Amount	Starting date	Stop date	If completed or not
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The Company was secured party

In RMB

Warrantor	Amount of the guarantee	Starting date of the guarantee	Maturity date of the guarantee	Have the guarantee been performed?
Chen Lve and Sino Great Wall Co., Ltd.	150,000,000.00	March 21, 2016	March 21, 2017	No
Chen Lve, Sino Great Wall Co., Ltd. and He Feiyan	150,000,000.00	July 19, 2016	July 19, 2017	No
Chen Lve and Sino Great Wall Co., Ltd.	130,000,000.00	October 28, 2016	September 28, 2017	No
Qinghai Heyi Mining Co., Ltd.	500,000,000.00	March 10, 2016	March 9, 2017	No
Chen Lve		March 10, 2016	March 9, 2017	No
Chen Lve	12,000,000.00	January 13, 2016	January 13, 2018	No
Chen Lve	12,000,000.00	March 29, 2016	March 29, 2018	No
Chen Lve	12,000,000.00	March 27, 2016	March 27, 2018	No
Chen Lve, Sino Great Wall Co., Ltd. and He Feiyan	140,000,000.00	July 12, 2016	July 12, 2017	No
Beijing Zhongguancun Sci-tech Financing Guaranty Co., Ltd. And Chen Lve	230,000,000.00	February 22, 2016	March 22, 2018	No
Chen Lve	11,000,000.00	February 11, 2015	February 11, 2018	No
Chen Lve	11,000,000.00	July 30, 2015	July 30, 2018	No

Warrantor	Amount of the guarantee	Starting date of the guarantee	Maturity date of the guarantee	Have the guarantee been performed?
Sino Great Wall International Engineering Co., Ltd., Chen Lve and He Feiyan	257,140,000.00	August 25, 2016	August 25, 2017	No
Sino Great Wall International Engineering Co., Ltd. and Chen Lve	200,000,000.00	January 21, 2016	January 20, 2017	No
Chen Lve	50,000,000.00	July 29, 2016	January 28, 2017	No
Sino Great Wall International Engineering Co., Ltd. and Chen Lve	200,000,000.00	June 21, 2016	June 20, 2017	No
Sino Great Wall International Engineering Co., Ltd., Chen Lve and He Feiyan	100,000,000.00	August 22, 2016	August 22, 2017	No
Chen Lve and He Feiyan	100,000,000.00	September 29, 2016	September 28, 2018	No
Chen Lve	400,000,000.00	June 28, 2016	June 28, 2018	No
Sino Great Wall International Engineering Co., Ltd., Chen Lve and He Feiyan	200,000,000.00	April 19, 2016	April 18, 2018	No
Chen Lve	10,000,000.00	December 15, 2016	June 14, 2017	No
Sichuan Jinyu Financing Guaranty Co., Ltd., Ye Meifu and Yang Qihua	8,000,000.00	February 17, 2016	February 16, 2017	No
Sino Great Wall Co., Ltd.	400,000,000.00	June 28, 2016	June 27, 2017	No
Sino Great Wall Co., Ltd.	180,000,000.00	January 3, 2017	January 2, 2018	No
Sino Great Wall Co., Ltd.	100,000,000.00	April 29, 2016	February 13, 2017	No
Sino Great Wall International Engineering Co., Ltd. and Chen Lve	500,000,000.00	November 22, 2016	November 22, 2017	No
Sino Great Wall International Engineering Co., Ltd., Chen Lve and He Feiyan	300,000,000.00	December 21, 2016	December 20, 2017	No
Sino Great Wall Co., Ltd.	250,000,000.00	December 20, 2016	December 19, 2017	No
Sino Great Wall Co., Ltd.	50,000,000.00	March 25, 2016	March 25, 2017	YES
Sino Great Wall International Engineering Co., Ltd., Chen Lve	70,000,000.00	February 28,, 2017	February 28, 2018	No
Sino Great Wall International Engineering Co., Ltd., Chen Lve	200,000,000.00	April 11,, 2017	March 31, 2018	No
Sino Great Wall International Engineering Co., Ltd., Chen Lve	120,000,000.00	June 7, 2017	May 22, 2018	No
Sino Great Wall International Engineering Co., Ltd., Chen Lve	84,000,000.00	March 31, 2017	Suptember 30, 2019	No
Sino Great Wall International Engineering Co., Ltd., Chen Lve	40,000,000.00	June 23, 2017	June 22, 2018	No
Sino Great Wall International Engineering Co., Ltd., Chen Lve and He Feiyan	97,000,000.00	February 21,2017	August 22, 2017	No
Sino Great Wall International Engineering Co., Ltd., Chen Lve and Li Erlong	200,000,000.00	October 31, 2017	October 31, 2018	No

Warrantor	Amount of the guarantee	Starting date of the guarantee	Maturity date of the guarantee	Have the guarantee been performed?
Chen Lve, Sino Great Wall Co., Ltd. and Li Erlong	50,000,000.00	May 27, 2017	May 26, 2018	No
Chen Lve, Sino Great Wall Co., Ltd.	80,000,000.00	April 17, 2017	April 17, 2018	No
Chen Lve, Sino Great Wall Co., Ltd. and He Feiyan	300,000,000.00	May 10, 2017	May 10, 2020	No
Chen Lve, Sino Great Wall Co., Ltd. and He Feiyan	200,000,000.00	January 13, 2017	January 12, 2018	No
Chen Lve, Sino Great Wall Co., Ltd. and He Feiyan	300,000,000.00	January 13, 2017	January 12, 2018	No
Chen Lve, Sino Great Wall Co., Ltd. and He Feiyan	100,000,000.00	June 28, 2017	June 27, 2018	No

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

In RMB

Related party	Amount borrowed and loaned	Initial date	Due date	Notes
Borrowed				
Loaned				

## (6) Related party asset transfer and debt restructuring

In RMB

Related party	Amount borrowed and loaned	Amount of current period	Amount of previous period

## (7) Rewards for the key management personnel

In RMB

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel	911,750	885,300

## (8) Other related party transactions

## 6. Payables and receivables of the related party

## (1) Receivable

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



(2) Payables

In RMB

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

5. Other

**XIV. Commitments**

1. Importance commitment events

Important commitments of existence of balance sheet date

## 2. Contingency

(1) Significant contingency at balance sheet date

(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

In RMB

Items	Content	Influence number to the financial position and operating results	Reason of unable to estimate influence number

## 2. Profit distribution

## 3. Sales return

## 4. Notes of other significant events

**XVI. Other significant events**

## 1. The accounting errors correction in previous period

## (1) Retrospective restatement

In RMB

Content	Processing program	Name of the influenced report items during comparison period	Cumulative impact

## (2) Prospective application

Content	Processing program	Reason of adopting prospective application

## 2. Debt restructuring

## 3. Replacement of assets

(1) Non-monetary assets exchange

(2) Other assets replacement

## 4. Pension plan

## 5. Discontinuing operation

In RMB

Items	Income	Expense	Total profits	Income tax	Net profit	Termination of the business profits attributable of the parent company owner

Other notes

## 6. Segment information

(1) Recognition basis and accounting policies of reportable segment

(2) The financial information of reportable segment

In RMB

Items		Offset during segments	Total

(3) There was no reportable segment, or the total amount of assets and liabilities of each part of reportable segment, shall disclose the reason.

(4) Other notes

## 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. Classification accojunt receivables.

In RMB

Classification	Amount in year-end			Amount in year-beginning		
	Book Balance	Bad debt provision	Book	Book Balance	Bad debt provision	Book value

	Amount	Proportion(%)	Amount	Amount	value	Amount	Proportion(%)	Amount	Proportion(%)	
Account receivables provided bad debt provision in credit risk groups	0.00		0.00		0.00	6,680.00	100.00%	334.00	5.00%	6,346.00
Ttotal	0.00	0.00%	0.00	0.00%		6,680.00	100.00%	334.00		6,346.00

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 RMB334.00.

Significant amount of reversed or recovered bad debt profision:

In RMB

Name	Amount	Method
Shenzhen Kwai Chung family building rent	334.00	Customer return
Total	334.00	--

(3) Particulars of the actual verification of accounts receivable during the reporting period

In RMB

Items	Amount

Of which: significant actual verification of accounts receivable:

In RMB

Name	Nature	Amount	Reason	Procedure	Whether occurred because of related party transaction

Notes:

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

(5) Derecogniton 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 account receivable.

Other notes:

2. Other receivable

1. Category of Other receivable

In RMB

Classification	Amount in year-end					Amount in year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other account receivables provided bad debt provision in credit risk groups	2,419,687,643.19	100.00%	725,631.46	0.03%	2,418,962,011.73	1,672,982,763.29	100.00%	782,721.31	0.05%	1,672,200,041.98
Ttotal	2,419,687,643.19	100.00%	725,631.46	0.03%	2,418,962,011.73	1,672,982,763.29	100.00%	782,721.31	0.05%	1,672,200,041.98

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 57,089.85.

Where the current bad debts back or recover significant amounts:

In RMB

Name	Amount	Method
Xu Ce	55,450.12	Employee return loan
Wang Lin	1,639.73	Employee return loan
Total	57,089.85	--

(3) Particulars of the actual verification of other accounts receivable during the reporting period.

In RMB

Items	Amount
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Of which : Significant actual verification of other account receivable:

In RMB

Name	Nature	Amount	Reason	Procedure	Whether occurred because of related party transactions
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Notes:

(4) Other account receivable classified by account nature

In RMB

Nature	Closing book value	Opening book value
Current account	2,333,637,893.28	1,657,328,337.13
Petty cash	5,667,408.88	1,272,085.13
Deposit	80,382,341.03	14,382,341.03
Other		
<b>Total</b>	<b>2,419,687,643.19</b>	<b>1,672,982,763.29</b>

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

In RMB

Name	Nature	Closing balance	Aging	Proportion %
Sino Great Wall International Engineering Co., Ltd.,	Account current	2,163,019,166.37	Within 1 year	89.50%
Wuhan Commercial and Vocational Hospital Co.,Ltd,	Account current	107,800,000.00	1-2 years	4.46%
Fuping hi tech Industrial Development Zone Management Committee	Deposit	50,000,000.00	Within 1 year	2.07%
Beijing Hongda Construction Service Co., Ltd.	Account current	45,000,000.00	Within 1 year	1.86%
Zhongshan Economic Development Zone Finance Bureau	Deposit	10,000,000.00	Within 1 year	0.41%

Total	--	2,375,819,166.37	--	98.31%
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## (6) Accounts receivable involved with government subsidies

In RMB

Name of units	Project of government	Closing balance	Closing age	Estimated received time, amount and basis
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(7) Other account receivable which terminate the recognition owing to the transfer of the financial assets

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

Other Notes:

## 3.Long-term equity investment

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Investment to the subsidiary	3,181,451,536.66	0.00	3,181,451,536.66	3,176,451,536.66	0.00	3,176,451,536.66
Total	3,181,451,536.66		3,181,451,536.66	3,176,451,536.66		3,176,451,536.66

## (1) Investment to the subsidiary

In RMB

Name	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
Sino Great Wall International Engineering Co., Ltd.,	3,079,451,536.66	0.00	0.00	3,079,451,536.66	0.00	0.00
Wuhan Commercial and Vocational Hospital Co.,Ltd,	97,000,000.00	0.00	0.00	97,000,000.00	0.00	0.00
Sino Great Wall Medical Investment Management Co., Ltd.	0.00	5,000,000.00	0.00	5,000,000.00	0.00	0.00

Total	3,176,451,536.66	5,000,000.00	0.00	3,181,451,536.66		0.00
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## (2) Investment to joint ventures and associated enterprises

In RMB

Name	Opening balance	Increase /decrease in reporting period								Closing balance	Closing balance of impairment provision
		Add investment	Decreased investment	Gain/loss of Investment	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision	Other		
I. Joint ventures											
II. Associated enterprises											

## (3) 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	0.00	0.00		
Other operations	111,018.01	1,482.50	115,940.34	0.00
Total	111,018.01	1,482.50	115,940.34	0.00

Other notes:

## 5. Investment income

In RMB

Items	Amount of current period	Amount of previous period



## 6.Other

**XVIII. Supplementary Information**

## 1.Current non-recurring gains/losses

√ Applicable  Not applicable

In RMB

Items	Amount	Notes
Government grants included in current profits and losses (except for government grants closely related to the enterprise business, obtained by quota or quantity at unified state standards)	60,363.52	
Other non-operating income and expenditure except for the above items	4,291,138.93	
Less: Influenced amount of income tax	647,888.58	
Total	3,703,613.87	--

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	
		Basic earnings per share	Diluted gains per share
Net profit attributable to the Common stock shareholders of Company.	14.39%	0.16	0.16
Net profit attributable to the Common stock shareholders of Company after deducting of non-recurring gain/loss.	14.19%	0.16	0.16

## 3. 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

(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.

Legal representative: Chen Lue

Sino Great Wall Co., Ltd.

August 12, 2017