

Sino Great Wall Co., Ltd.
The Third Quarterly Report 2018



October 2018

1 Important Notice

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

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

Mr.Chen Lue, Person in charge of the Company, 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 Quarterly Report.

II. Basic information about the company

I. Main financial data and financial index

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

Yes No

	As at the end of the reporting period	As at the end of last year	Changed (%) over end of prev. year	
Gross assets (Yuan)	10,995,887,423.35	11,667,845,186.30	-5.76%	
Net assets attributable to the shareholders of the listed company (Yuan)	2,085,798,371.28	2,151,482,467.52	-3.05%	
	Reporting period	Increase/decrease over the same period of last year (%)	Between beginning of the year to the end of the report period	Changed (%) over end of prev. year
Operating income (Yuan)	672,083,613.81	-59.52%	2,259,055,189.05	-51.78%
Net profit attributable to the shareholders of the listed company (Yuan)	-118,516,821.76	-183.55%	25,482,633.97	-93.79%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	-144,157,168.16	-201.54%	-178,741,907.03	-143.93%
Cash flow generated by business operation, net (Yuan)	--	--	1,287,313,317.95	263.90%
Basic earning per share(Yuan/Share)	-0.0698	-183.59%	0.0150	-93.75%
Diluted gains per share(Yuan/Share)	-0.0698	-183.59%	0.0150	-93.75%
Weighted average income/asset ratio (%)	-5.52%	-12.61%	1.20%	-20.29%

Items and amount of non-current gains and losses

Applicable Not applicable

In RMB yuan

Items	Amount (Year-beginning to the end of the report period.)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-641,051.32	
Income from the exceeding part between investment cost of the Company paid for obtaining subsidiaries, associates and joint-ventures and recognizable net assets fair value attributable to the Company when acquiring the investment	70,486,755.72	Mainly due to the acquisition of Baden-Baden Hospital evaluation value-added
Net amount of non-operating income and expense except the	134,378,836.60	Mainly due to the Land

aforesaid items		compensation paid by Union Holdings
Total	204,224,541.00	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public-Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item.

Applicable Not applicable

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

II.Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period

1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders

In shares

Total number of common shareholders at the period-end	71,164	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)	0			
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Chen Lue	Domestic Natural person	34.36%	583,454,556	581,340,196	freeze	583,454,556
STYLE-SUCCESS LIMITED	Foreign legal person	5.47%	92,970,910			
Union Holdings Co., Ltd.	Domestic Non-State-owned legal person	5.18%	87,935,921			
He Feiyan	Domestic Natural person	3.23%	54,800,458	54,800,458	freeze	54,800,458
Jiutai Fund—Bank of Communications—Jiutai Huitong No.2 specific customer asset management	Other	2.50%	42,479,672	42,479,672		

plan						
Rich Crown Investment Co., Ltd.	Foreign legal person	1.37%	23,235,313			
Qinghai Heyi Industry Development Co.,Ltd/	Domestic Non-State-owned legal person	0.79%	13,357,084		Pledge	13,357,000
Huang Huaian	Domestic Natural person	0.72%	12,288,800			
# Li Guanping	Domestic Natural person	0.49%	8,236,700			
Zheng Qianghui	Domestic Natural person	0.35%	6,000,026			
Shares held by the Top 10 Shareholders of Non-restricted shares						
Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period	Share type				
		Share type	Quantity			
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 in domestic exchange	23,235,313			
Qinghai Heyi Industry Development Co.,Ltd/	13,357,084	RMB Common shares	13,357,084			
Huang Huaian	12,288,800	RMB Common shares	12,288,800			
# Li Guanping	8,236,700	RMB Common shares	8,236,700			
Zheng Qianghui	6,000,026	RMB Common shares	6,000,026			
Chen Cheng	6,000,000	RMB Common shares	6,000,000			
Jiangxi Kangfu Real Estate Co., Ltd.	5,700,000	RMB Common shares	5,700,000			
Chen Lihong	4,775,760	Foreign shares placed in domestic exchange	4,775,760			

Explanation on associated relationship or concerted action of the above shareholders	The above shareholder Mr. Chen Lu and the shareholder Ms. He Feiyan are acting in concert; the shareholder “Union Holdings Co., Ltd.”and the shareholder “Rich Crown Investment Co., Ltd.”, whose controlling shareholder is “Union Development Group Co.,Ltd.”. whether the other shareholders have associated relations are unknown.
Note to the top 10 common stockholders involved in margin financing & securities lending (If any)	Nil

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.

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

Applicable Not applicable

III. Significant Events

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

√ Applicable □ Not applicable

Items	This period/Year-end balance	Same period of the previous year/Year-beginning balance	Changes %	Remarks on the change
Notes receivable	447,177,239.41	288,201,562.88	55.16%	Mainly due to the increase of company bill collection.
Fixed assets	327,340,997.07	174,537,150.56	87.55%	Mainly due to the merger of Acura Kliniken Baden-Baden GmbH
Construction in progress	437,000.00	4,968,590.96	-91.20%	Mainly due to installation of overseas equipment
Other account payable	1,395,803,754.30	537,070,684.98	159.89%	Mainly due to the increase in short-term capital borrowing.
Non-current liability due in 1 year	1,192,851,267.22	820,422,471.45	45.39%	Mainly due to the maturity of the loan in the coming year.
Long-term Borrowing	150,000,000.00	843,092,471.02	-82.21%	Mainly due to the maturity of the loan in the coming year.
Deferred tax liability	51,894,878.61	26,088,961.71	98.92%	Mainly due to the merger of Acura Kliniken Baden-Baden GmbH
Business income	2,259,055,189.05	4,685,207,526.32	-51.78%	Mainly for the national credit tightening, the tight capital led to the company's business contraction, the project progressed slowly.
Business cost	1,970,673,537.82	3,657,257,165.36	-46.12%	Due to reduced operating income.
Financial expenses	400,405,629.14	132,272,854.08	202.71%	Due to the increased Long-term and short-term borrowing.
Income tax expenses	7,699,247.03	81,101,852.86	-90.51%	Due to reduced profits.
Net cash flow generated by operation activities	1,287,313,317.95	-785,444,322.16	-263.90%	Mainly because the current payment is better.
Net cash flow generated by investment activities	-351,491,732.24	-606,720,595.95	-42.07%	Mainly due to reduced investment.
Net cash flow generated by financing activities	-1,424,770,406.23	1,616,558,862.59	-188.14%	Mainly due to the repayment of loans in the current period.

II. The progress of significant events and influence, as well as the analysis and explanation on resolving proposal.

□ Applicable √ Not applicable

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

Applicable Not applicable

The company has no commitments completed in period and those without completed till end of the period from actual controller, shareholders, related parties, purchaser and companies.

IV. Anticipation of Business Performance of 2018

Alert of loss or significant change in net profit from the beginning of year to the end of next report period or comparing with the same period of last year, and statement of causations.

Applicable Not applicable

V. Investment in securities

Applicable Not applicable

No securities investment in period.

VI. Entrusted Financial Management

Applicable Not applicable

No securities investment in period.

VII. Investment in derivatives

Applicable Not applicable

There is no derivative investment during the report period.

VIII. The registration form of acceptance of investigation, communication and interview in the report period for future reference

Applicable Not applicable

The Period has no research, communication and written inquiry from the investors in the report period.

IX. External guarantee get out of line

Applicable Not applicable

The Company has no external guarantee get out of the line in the Period

X. Controlling shareholder and its related parties occupying non-business capital of the listed company

Applicable Not applicable

There are no controlling shareholder and its related parties occupying non-business capital of the listed company in Period

Legal representative : Chen Lue

Sino Great Wall Co., Ltd.

October 31,2018