



Sino Great Wall Co., Ltd.

2017 Annual Report

April 2018

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 annual report.

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

The company shall comply with disclosure requirements in *Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 7-the Listed Company Engagement in Civil Engineering Construction Business*. As the potential relevant risk and related solution are described in details in the report by the company, please refer to the relevant content in “Outlook on the Company future development” in Section IV Operation condition discussions and analysis.

The profit distribution proposal reviewed and approved by the boarding meeting was summarized as follows: 1,698,245,011 for the base, the Company would distribute cash dividend to all the shareholders at the rate of RMB 0.40 for every 10 shares (with tax inclusive) , 0 bonus shares (including tax) , and not converting capital reserve into share capital.

Table of Contents

I. Important Notice, Table of Contents and Definitions.....	2
II. Basic Information of the Company and Financial index	6
III. Business Profile	15
IV. Management’s Discussion and Analysis	24
V. Important Events	65
VI. Change of share capital and shareholding of Principal Shareholders	112
VII. Situation of the Preferred Shares	125
VIII. Information about Directors, Supervisors and Senior Executives	126
IX. Administrative structure	154
X. Corporate Bond	164
XII. Documents Available for Inspection	165

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
SSE	Refers to	Shenzhen Stock Exchange
Reporting period	Refers to	January 1,2017 to December 31,2017
Wuhan Commercial Worker Hospital	Refers to	Wuhan Commercial Worker Hospital Co., Ltd.
Union Holdings	Refers to	Union Holdings Co., Ltd.
Rich Crown Investment	Refers to	Rich Crown Investment Co., Ltd.
Baden-Baden Hospital	Refers to	Acura Kliniken Baden-Baden GmbH

II. Basic Information of the Company and Financial index

I . Company Information

Stock abbreviation:	Sino Great Wall Sino-B	Stock code:	000018 200018
Change of stock Abbreviation (If any)	Nil		
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		
Registered address	26 Kuipeng Road, Kuiyong Town, Longgang District, Shenzhen		
Postal code of the Registered Address	518119		
Office Address	Sino Great Wall Building, No.3 Jinxiu Street,Economic Technology Development Zone , Beijing		
Postal code of the office address	100176		

Internet Web Site	www.sgwde.com
E-mail	000018sz@sina.com

II. Contact person and contact manner

	Board secretary	Securities affairs Representative
Name	Yang Chunling	Ma Qin
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. Information disclosure and placed

Newspapers selected by the Company for information disclosure	Securities Times and Hongkong Commercial Daily.
Internet website designated by CSRC for publishing the Annual report of the Company	http://www.cninfo.com.cn
The place where the Annual report is prepared and placed	Securities Department , Sino Great Wall Building, No.3 Jinxiu Street,Economic Technology Development Zone , Beijing

IV.Changes in Registration

Organization Code	91440300618801483A
Changes in principal business activities since listing (if any)	Nil
Changes is the controlling shareholder in the past (is any)	Nil

V. Other Relevant Information

CPAs engaged

Name of the CPAs	BDO China Shu Lun Pan Certified Public Accountants LLP
Office address:	10/F of the No.7 Building, No16 Yard, Mid of West 4 th Ring Road, Haidian District, Beijing
Names of the Certified Public Accountants as the signatories	Liao Jiahe, Feng Xue

The sponsor performing persist ant supervision duties engaged by the Company in the reporting period.

Applicable Not applicable

Sponsor name	Office address	Representatives	Period of supervision and guide
Huatai United Securities Co., Ltd.	6/F,A Unit, Fengming International Building, No.22, Fengsheng Hutong, Xicheng	Wu Wenmin,Fang Yuhui	September 27,2015 to December 31,2018

	District, Beijing		
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The Financial advisor performing persistent supervision duties engaged by the Company in the reporting period

Applicable Not applicable

Advisor Name	Office address	Representatives	Period of supervision and guide
Huatai United Securities Co., Ltd.	6/F,A Unit, Fengming International Building, No.22, Fengsheng Hutong, Xicheng District, Beijing	Wu Wenmin,Fang Yuhui	September 27, 2015 to December 31,2018

VI.Summary of Accounting data and Financial index

May the Company make retroactive adjustment or restatement of the accounting data of the previous years

Yes No

	2017	2016	Changed over last year (%)	2015
Operating Gross income(Yuan)	6,497,124,980.52	4,664,999,117.17	39.27%	4,010,358,999.58
Net profit attributable to the shareholders of the listed company (Yuan)	380,090,990.82	473,661,862.67	-19.75%	346,648,651.48

Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	377,087,197.69	470,274,602.37	-19.82%	347,196,614.68
Cash flow generated by business operation, net (Yuan)	-1,781,868,618.65	-1,687,875,813.94	0.00%	-292,051,257.08
Basic earning per share(Yuan/Share)	0.220	0.28	-21.43%	0.40
Diluted gains per share(Yuan/Share)(Yuan/Share)	0.220	0.28	-21.43%	0.40
Net asset earning ratio (%)	19.35%	31.18%	-11.83%	34.52%
	End of 2017	End of 2016	Changed over last year (%)	End of 2015
Gross assets	11,667,845,186.30	7,986,178,961.63	46.10%	4,017,462,824.63
Net assets attributable to shareholders of the listed company	2,151,482,467.52	1,777,948,117.49	21.01%	1,282,256,738.74

VII.The differences between domestic and international accounting standards

1 . Simultaneously pursuant to both Chinese accounting standards and international accounting standards disclosed in the financial reports of differences in net income and net assets.

Applicable√ Not applicable

Nil

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

Applicable √Not applicable

Nil

VIII.Main Financial Index by Quarters

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	1,059,865,573.83	1,965,216,782.97	1,660,125,169.52	1,811,917,454.20
Net profit attributable to the shareholders of the listed company	99,029,586.64	169,576,863.39	141,854,355.89	-30,369,815.10
Net profit after deducting of non-recurring gain/loss	99,029,586.64	165,873,249.52	141,971,594.58	-29,499,781.40

attributable to the shareholders of listed company				
Net Cash flow generated by business operation	-447,147,216.26	-88,850,363.93	-249,446,741.97	-1,001,355,399.29

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

Yes No

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

Applicable Not applicable

In RMB

Items	Amount (2017)	Amount (2016)	Amount (2015)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-150,250.00	-564,833.40	-81,112.15	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's	2,211,128.89	108,121.33	342,246.00	

policies)				
Profit due to the situation where investment costs for the company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair Value of identifiable net assets of investees when making investments		1,783,284.99		
Profit/loss on fair value changes of transactional financial assets and liabilities & investment profit on disposal of transactional financial assets and liabilities as well as financial assets available for sale , except for effectively hedging business related to normal business operations fo the Company		443,065.98		
Other non-operating income and expenditure except for the aforementioned items	1,444,308.74	5,296,814.65	-905,796.34	
Less: Amount of influence of income tax	501,394.50	3,668,000.60	-96,699.29	
Influenced amount of minor shareholders' equity (after tax)		11,192.65		

Total	3,003,793.13	3,387,260.30	-547,963.20	--
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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

The company shall comply with disclosure requirements in *Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 7-the Listed Company Engagement in Civil Engineering Construction Business*.

Company business overview

(I) Company main business scope and business model

Within the report period, the core business of Sino Great Wall is the engineering construction and medical treatment and health industry investment and management. The engineering construction mainly includes the international EPC and domestic PPP business. The medical treatment and health industry investment and management mainly comprises the hospitals and medical treatment operation management through engagement in the industry through several ways including acquisition of existing hospitals, construction of new hospitals as well as building and investing the hospital PPP project, etc. At present, the company business covers the house building, roads and bridges, power and chemical industry as well as medical treatment and health, etc. among many countries and regions in Southeast Asia, the Middle East, South Asia and Africa, etc.

The company mainly engages in the foreign engineering construction through EPC, namely

contracting the whole process or several phases among the construction project design, purchase, construction and trail operation, etc. through integrating the high-quality resources at home and abroad. For the domestic engineering construction, the company mainly adopts PPP mode, namely the project operation mode through cooperation of the governmental and social capital. Under such mode, the government will select the social capital with the investment and operation management capacity through the competitive ways and both parties shall enter into the contract subject to the equality-based consultation principle, under which, the social capital shall provide public services and the government shall pay the consideration against the social capital based on the public service achievement assessment result.

The Company business includes the project development, financing, design, procurement and construction, etc. and it will also participate in investment in and provision of operation services for high-quality projects with good development prospect.

(II) Engineering construction industry macro-situation, competition pattern and position in industry

Foreign engineering: with the comprehensive advance of the “One Belt and One Road” initiative, the Company’s contracted engineering projects industry for other countries is in the good growth momentum wholly with continuous expansion of the industry scale. Based on statistics of Ministry of Commerce, China achieved the turnover 168.59 billion dollars for contracted engineering projects for other countries with the year-on-year growth of 5.8% and signed new contracts totaling 265.28 billion dollars with the year-on-year growth of 8.7%, among which, 61 countries alongside “One Belt and One Road” signed new contracts totaling 144.3 billion dollars with the year-on-year growth of 14.5% and achieved the turnover 85.53 billion dollars with the year-on-year growth of 12.6%, which accounts for 50.7% of the turnover completed by the contracted foreign projects at the same period.

Based on statistics of Ministry of Commerce, in 2017, Company won the 40th place among the Top 100 Enterprises for Contracting Foreign Projects based on Contract Amount issued by Ministry of Commerce, which is lifted by 7 places, and also won 75th in such ranking list based on the turnover, which is the first time listed in the Top 100 list.

For domestic projects, in November 2017, National Development and Reform Commission issued *Instructions for Encouraging the Private Capital to Participate in PPP Project*, put forward creating sound environment for the private capital participation in PPP and implemented polices per class for supporting participation of the private capital into PPP. As the state strengthened the support in PPP project, PPP project scale kept expansion. As displayed by the data issued by Ministry of Finance, by the end of December 2017, the PPP in the whole country PPP comprehensive information platform recording management library and reservation list reached 14,424 in total and the total investment amount of 18.2 trillion yuan with the year-on-year growth of 28.1% and 34.8%, namely by increase of 3,164 and 4.7 trillion yuan. PPP mode stimulates the investment enthusiasm of the private capital and the competition between PPP projects increases continuously.

(III) Company's qualification

At present, the Company possesses the construction certificates such as Constructional Engineering Construction General Constructing Grade I, Construction Decoration Engineering Design and Construction Specialized Contracting Grade I, Electromechanical Equipment Installation Project Specialized Contracting Grade I, Construction Curtain Wall Project Specialized Contracting Grade I, Ground Foundation Engineering Specialized Contracting Grade I, Fire Control Facilities Project Specialized Contracting Grade I, Waterproof, Anti-Corrosion Insulation Project Specialized Contracting Grade I, Electrical and Mechanical Engineering Construction General Contracting Grade II, Bridge

Project Specialized Contracting Grade II, Petrochemical Engineering Construction General Contracting Grade II, Municipal Utilities Engineering Construction General Contracting Grade II, Tunnel Project Specialized Contracting Grade II, Hydraulic Metal Structure Manufacture and Installation Engineering Specialized Contracting Grade II, Water Conservancy and Hydropower Engineering Construction General Contracting Grade II, Railway Engineering Construction General Contracting Grade III, Metallurgical Engineering Construction General Contracting Grade III, Special Engineering Specialized Contracting (including all grades), Highway Pavement Project Specialized Contracting Grade III and Highway Subgrade Project Specialized Contracting Grade III, etc. among industries of the construction, highroad, railway, municipal utilities, water conservancy and hydropower, petrochemical engineering and electric power, etc.

For the overseas market, the Company has always been developing the market, accumulating the talent and technology and improving the adaptive capacity of oversea standards and the local project management ability continuously for many years. For the domestic business, as the Company PPP project bid-winning quantity and commencement quantity increase continuously, the Company improves PPP project operation capacity continuously, accumulates experience in aspects of the project bidding, financing ways and operation management and forms its unique operation ways.

(IV) Financing Situation

During the reporting period, the company's financing structure was reasonable and it better supported the company's business development. The financing during the reporting period is as follows:

Financing Channel	Financing Details	Financing Balance (' 0000)
Debt Financing	Short-Term Loan	387636.58
	Long-Term Loans Due Within	78683.92

	One Year	
	Long Term Loan	86258.48
	Total	552,578.98

(V) Quality Control System

Quality is the life of engineering construction companies. Quality is the best display and promotion of the image of construction companies. The company has always attached great importance to project quality management, has a dedicated QC (Quality Control) department, and is fully responsible for the management of the company's construction projects, forming a set of effective and mature quality control processes and systems. Quality control measures have been continuously optimized to cover all aspects and operate efficiently; quality management is scientific and standardized. During the reporting period, the company did not have major project quality problems.

(VI) Safety Production Operation

The company has firmly established the guiding principle of "safety first, prevention first", attaches great importance to safety production, carefully organizes safety education and training, adheres to the safety red line, strictly implements the safety production responsibility system, and conducts in-depth safety inspections and hidden trouble investigations, enhances safety precautions, and creates a safe, harmonious, standardized construction environment, and constantly improves the level of precision management of safety production. During the reporting period, the company did not have major safety issues, all work was carried out in an orderly manner, and the construction was safe and stable.

II. Major Changes in Main Assets

1. Major Changes in Main Assets

Main assets	Major changes
Equity assets	0
Fixed assets	0
Intangible assets	0
Construction in process	0

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,With leading projects such as PM, EPC, BT, BOT , PPP, etc, 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 and the revenue 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.

IV. Management's Discussion and Analysis

I. General

2017 was the year when the party's 19th National Congress was convened successfully. It was also a year of steady development of the company. In 2017, driven by the recovery of investment, the recovery of manufacturing, and the steady growth of global trade, the world's major economies have shown signs of recovery and the global economy has achieved a recovery growth. In 2017, China continued to deepen structural reforms on the supply side, promoted industrial transformation and upgrading, and continued the release of economic vitality, momentum, and potential. The stability, coordination, and sustainability were significantly enhanced. The GDP growth was 6.9%, and the national economy achieved a steady and healthy development.

In 2017, the company continued to uphold the values of "honesty, dedication, perfection, and honor", paid close attention to "the Belt and Road", PPP business, and building medical industry policies and related developments, complied with the economic development situation, grasped good historical development opportunities, innovated business models, promoted the stable development of project contracting business, continuously improved the company's competitive advantage and overall profitability, achieved a sound development of various businesses, and maintained a rapid growth situation in its operating performance.

In terms of engineering construction, the company's business at home and abroad has achieved relatively good and rapid development. In terms of domestic business, as the country's support for PPP business has increased, the company's PPP business has continued to develop, and the domestic

market area has expanded continuously, involving many provinces and regions such as Henan, Jiangxi, Guizhou, Guangdong, Hunan, Sichuan and Shaanxi. The contracting industry has continued to expand, covering medical, municipal, transportation, infrastructure and many other fields. In terms of foreign business, the company signed the "Strategic Cooperation Framework Agreement" with China Nuclear Industry No.2 Construction Co., Ltd. and jointly undertake related projects overseas; signed the *Memorandum of Understanding on the Construction of the Cambodian Railway Network* with the Cambodian Royal Enterprise Group and the China Railway No. 17 Bureau Group Co., Ltd., which is conducive to the expansion of the scope of the company's engineering contracting in Cambodia; signed the *Agreement on Shareholders Cooperation for the Construction of a refinery plant with a daily processing capacity of 300,000 barrels in Dumcom Special Economic Zone of the Sultanate of Oman* with Shamrock Investment Services Co., Ltd. and Al Bashir Investment Co., Ltd. to jointly build, own and operate the project of "refinery plant with a daily processing capacity of 300,000 barrels in Dumcom Special Economic Zone". At the same time, the company has signed major construction contracts with many countries and regions in Southeast Asia and South Asia.

As of the end of 2017, the company's domestic and international orders amounted to more than 35 billion yuan, which ensured a steady growth of the company's operating performance in the coming years.

In the aspect of medical and health industry investment and management, in 2017 the company won the bid for the construction of the new hospital of the Second People's Hospital of Anyang, the construction of the PPP project for the rehabilitation center, the PPP project for the overall relocation and construction of Wuchuan City Hospital of Traditional Chinese Medicine, the PPP project at Sichuan Qi County Hospital of Traditional Chinese Medicine, and the PPP project for the relocation of Wuchuan City

People's Hospital. The signing and implementation of the above projects have provided strong support for the company's future growth. In December 2017, the company and Hunan University of Traditional Chinese Medicine signed the "Comprehensive Framework Cooperation Agreement of Yuelu International Hospital which Affiliated to Hunan University of Traditional Chinese Medicine" to speed up the improvement of the company's medical and health industry layout and expand the company's services in the medical and health industry. During the reporting period, the company acquired 100% of the shares of Baden-Baden Hospital in Germany by EUR 14.1 million. Baden-Baden Hospital is a German historic hospital with a long history. It has a high reputation in medical rehabilitation. The acquisition of the hospital is conducive to introduce Germany's advanced medical personnel, technology and management experience, integrate the Chinese and foreign resources, and realize the company's layout in the field of medical rehabilitation.

In other respects, the company actively responded to the national call to establish Xiong'an New District. In order to support the construction of Xiong'an New District and strengthen the company's business development and project implementation in Xiong'an New District, the company plans to relocate the registered address of the subordinate architectural construction companies, such as Sino Great Wall International Engineering Co., Ltd. and Sino Great Wall Southwest Construction Engineering Co., Ltd., to Xiong'an New District. The relocation will help the company to develop the business in the region. On February 24, 2018, the company's subsidiary, Sino Great Wall Hebei Xiong'an Engineering Co., Ltd. (hereinafter referred to as Xiong'an Company) was formally established and obtained a business license. In order to better conduct business in Xiong'an New District, the company leased an office in the new district in 2017, and plans to arrange a subsidiary company with related building qualifications to merge with Xiong'an Company to enable the Company to quickly obtain construction

qualifications and quickly obtain orders.

According to the *Guidelines for the Development of Assembled Buildings by the General Office of the State Council*, and in light of the actual situation of the company, in June 2017, the company established the Great Wall Smart House Industry (Zhanjiang) Co., Ltd., to carry out the construction of assembly-type smart house research and development center and production base, and accelerate the pace of entering the field of assembled smart house construction, and seek new profit growth points for the company. Through the implementation of the housing industrialization base construction project, the company will build production lines of deep processing of steel components with an annual output of 300,000 tons and deep processing of aerated concrete sheet with an annual output of 300,000 cubic meters to realize the modular production of residential construction materials. In the process of building construction, by assembling of modular materials directly on site can increase construction speed, reduce construction costs, realize green buildings and effectively improve construction efficiency.

In terms of talent introduction, the company has upgraded from a traditional subcontracting company for decoration, electromechanical, curtain wall, etc., to a general contractor and an EPC company to undertake a general contractor engineering company; it has gone abroad from domestic building construction, and has taken on the foreign countries along the “One Belt and One Road” initiative. Contracted projects; extending from the construction area to the upstream, investing in construction projects through equity participation, and entering the medical and health industry from the traditional construction industry across industries. The business development and transformation in recent years has led to the company's large demand for high-end management talents and comprehensive composite talents. The company introduced senior management personnel from the top level of the company's structure to enrich the professional composition of the company's management

and improve the management structure of the company's management. In 2017, the board of directors of the company newly hired high-end talents such as general manager, deputy general manager, chief financial officer, and deputy general manager. At the same time, a large number of foreign-funded business management, operations, and other management personnel have been introduced, and a large number of public hospital administrators, foreign medical experts and other medical management, high-tech talent have been introduced. Through the introduction of a large number of high-end talents, the company has improved its management, operation level and risk prevention

In 2017, the company realized operation income of RMB 6.592 billion, an increase of 41.30% from the last year; realized the operating profits of RMB 625 million, an increase of 8.26% from the last year; and the net profit attributable to the parent company was RMB 503 million, an increase of 6.24% from the last year.

II. Main business analysis

1. General

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

2. Revenue and cost

(1) Component of Business Income

In RMB

	2017		2016		Increase /decrease
	Amount	Proportion	Amount	Proportion	

Industry					
EPC	4,268,109,664.43	65.69%	3,118,359,658.51	66.85%	37.00%
Engineering design	19,119,855.94	0.29%	12,669,951.31	0.27%	51.00%
Decoration work	2,015,057,491.48	31.01%	1,452,138,348.28	31.13%	39.00%
Medical Service revenue	132,427,255.48	2.04%	81,593,110.43	1.75%	62.00%
Other	62,410,713.19	0.96%	238,048.64	0.01%	26,118.00%
Product					
EPC	4,268,109,664.43	65.69%	3,118,359,658.51	66.85%	37.00%
Engineering design	19,119,855.94	0.29%	12,669,951.31	0.27%	51.00%
Decoration work	2,015,057,491.48	31.01%	1,452,138,348.28	31.13%	39.00%
Medical Service revenue	132,427,255.48	2.04%	81,593,110.43	1.75%	62.00%
Other	62,410,713.19	0.96%	238,048.64	0.01%	26,118.00%
Area					
Domestic	3,750,012,620.09	57.72%	1,478,928,295.44	31.70%	154.00%
Overseas	2,747,112,360.43	42.28%	3,186,070,821.73	68.30%	-14.00%

(2) Situation of Industry, Product and District Occupying the Company's Business Income and Operating

Profit with Profit over 10%

√ Applicable □ Not applicable

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

Yes

Civil Engineering Construction

In RMB

	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
Industry						
EPC	4,268,109,664.4 3	3,029,618,055.1 2	29.02%	36.87%	38.92%	-3.50%
Decoration work	2,015,057,491.4 8	1,678,668,151.7 6	16.69%	38.76%	38.13%	2.35%
Product						
EPC	4,268,109,664.4 3	3,029,618,055.1 2	29.02%	36.87%	38.92%	-3.50%
Decoration work	2,015,057,491.4 8	1,678,668,151.7 6	16.69%	38.76%	38.13%	2.35%

Area						
Domestic	3,750,012,620.09	3,035,853,444.54	19.04%	153.56%	147.83%	10.92%
Overseas	2,747,112,360.43	1,850,501,055.12	32.64%	-13.78%	-17.18%	9.27%

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main business based on latest on year's scope of period-end.

Applicable Not applicable

(3) Whether the Company's Physical Sales Income Exceeded Service Income

Yes No

(4) Degree of Performance of the Significant Sales Contract Signed up to this Report Period

Applicable Not applicable

Civil Engineering Construction

The company is required to comply with the disclosure requirements of *No. 7 of Shenzhen Stock Exchange's Industry Information Disclosure Guidelines - Listed Companies Engaged in Civil Engineering Construction Business*.

(Not written in Haoli Project)

Price Setting Policy	Repayment Arrangements	Financing Methods	Preferential Policies	Franchising (If Applicable)	Operating Period (If Applicable)	Source of Income And Attribution (If	of	Guarantee Base Operations (If Applicable)	Investment Income Protection Measures (If Applicable)	Guarantee Base Operations (If Applicable)	Investment Income Protection Measures (If

						Applicable)				Applicable)
Comprehensive Development Project for No. 14 Village, Hongsen Road, Cambodia (PP50 Project)	EPC General Contracting	Bidding Price	Performed according to the contract	Bank loan	No	Not applicable	Not applicable	Construction income	Not applicable	Not applicable
Subproject of Military Academy Project of Ministry of National Defense of Kuwait	EPC General Contracting	Negotiated Pricing	Performed according to the contract	Bank loan	No	Not applicable	Not applicable	Construction income	Not applicable	Not applicable
Housing and Infrastructure Project of Qatar Newport NPP/0057	EPC General Contracting	Negotiated Pricing	Performed according to the contract	Bank loan	No	Not applicable	Not applicable	Construction income	Not applicable	Not applicable
5 Million Tons/Year Oil Refinery Project of Cambodia	EPC General Contracting	Negotiated Pricing	Performed according to the contract	Bank loan	No	Not applicable	Not applicable	Construction income	Not applicable	Not applicable
Cambodia Haoli Diamond Project(Business/Residential Development Project of Phnom Penh National Assembly Street)	EPC General Contracting	Bidding Price	Performed according to the contract	Bank loan	No	Not applicable	Not applicable	Construction income	Not applicable	Not applicable

Baiyang Lake Headquarter Economic Harbor PPP Project at New Port Area, Chenglingji, Hunan	PPP Model	Bidding Price	Performed according to the contract	Bank loan	No	Not applicable	Not applicable	Construction income	Not applicable	Not applicable
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Status of completed (completed acceptance) project during the reporting period:

In RMB

Business Model	Number of Projects	Item Amount	Acceptance Situation	Revenue Confirmation	Settlement Situation	Repayment Situation
EPC General Contracting	1	980,000,000.00	Completed and delivered for use	Confirmation of income	Unsettled	At the end of the report, the cumulative return of 606522262.23 yuan

Status of unfinished important projects during the reporting period:

In RMB

Business Model	Number of Projects	Item Amount	Accumulated Revenue	Amount of the Unfinished Part
EPC	5	12,938,000,000.00		
PPP	1	2,000,000,000.00		

In RMB

Project Name	Completion	Business Model	Percentage of Completion	Current Confirmed Revenue	Accumulated Confirmed Revenue	Repayment Situation	Receivables Balance
Comprehensive Development Project for No. 14 Village, Hongsen Road, Cambodia (PP50 Project)	1,970,000,000.00	EPC General Contracting	36%	604,096,882.41	687,987,626.71	At the end of the report, the cumulative return of 170,362,163.41 yuan	438,481,134.91
Subproject of Military Academy Project of Ministry of National Defense of Kuwait	2,100,000,000.00	EPC General Contracting	57%	273,496,069.04	1,174,079,614.23	At the end of the report, the cumulative return of 98,289,136.21 yuan	747,498,878.42
Housing and Infrastructure Project of Qatar Newport NPP/0057	1,500,000,000.00	EPC General Contracting	100%	536,217,335.62	1,927,186,331.81	At the end of the report, the cumulative return of 250,000,000 yuan	578,903,295.87
5 Million Tons/Year Oil Refinery Project of Cambodia	4,268,000,000.00	EPC General Contracting	10%	369,885,008.26	369,885,008.26	No reimbursement at the end of the report	365,835,734.60
Cambodia Haoli Diamond Project(Business/Residential Development Project of Phnom Penh National Assembly Street)	1,100,000,000.00	EPC General	100%	371,220,768.54	1,070,958,575.31	At the end of the report, the	40,797,430.66

		Contracting				cumulative return of 617,425,582.5yua n	
Baiyang Lake Headquarter Economic Harbor PPP Project at New Port Area, Chenglingji, Hunan	2,000,000, 000.00	PPP Model	0%	0.00	0.00	No reimbursement at the end of the report	0.00

Other notes

Applicable Not applicable

Status of completed outstanding projects in inventory:

Applicable Not applicable

Does the company carry out overseas projects?

Yes No

Project Area	Number of Projects	Project Amount (100 million yuan)
Middle East	4	47.00
Africa	2	22.82
Southeast Asia	11	133.87
South Asia	2	23.77
Total	19	227.36

In RMB

Project name	Amount	Business Model	Completion
Comprehensive Development Project for No. 14 Village, Hongsen Road, Cambodia (PP50 Project)	1,970,000,000.00	EPC General Contracting	The main structure of the civil works has been constructed to the 9th floor, and electrical and mechanical and curtain walls professionals are cooperating with the civil construction.
Subproject of Military Academy Project of Ministry of National Defense of Kuwait	2,100,000,000.00	EPC General Contracting	It is in the construction of the civil structure of each building, the mechanical and electrical professional is cooperating with the construction.
Housing and Infrastructure Project of Qatar Newport NPP/0057	1,500,000,000.00	EPC General Contracting	It is in the final construction
5 Million Tons/Year Oil Refinery Project of Cambodia	4,268,000,000.00	EPC General Contracting	The initial survey and detailed survey was completed. It is in the process of reclamation and soft soil treatment and tank installation.
Cambodia Haoli Diamond Project(Business/Residential Development Project of Phnom Penh National Assembly Street)	1,100,000,000.00	EPC General Contracting	Fine decoration, curtain wall, and electromechanical professionals are in the final stage.
Baiyang Lake Headquarter Economic Harbor PPP Project at New Port Area, Chenglingji, Hunan	2,000,000,000.00	PPP Model	The construction site enclosure project of Project A has been completed, and the North Shore road landscape project has entered the construction stage; West Block of Project B has completed clearing and land leveling, and is currently preparing for cofferdam dredging project, planning and design and construction.

(5)Component of business cost

The company shall comply with disclosure requirements in *Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 7-the Listed Company Engagement in Civil Engineering Construction Business*.

Component of business cost

In RMB

Component	2017		2016		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Labour	2,765,222,215.84	56.59%	903,793,388.91	24.51%	205.96%
Material	1,483,612,055.43	30.36%	2,097,150,141.67	64.91%	-29.26%
Other	527,498,994.96	10.80%	395,089,356.56	10.24%	33.51%

Industry Category

In RMB

Industry	Items	2017		2016		Increase /decrease
		Amount	Proportion	Amount	Proportion	
EPC	Labour	2,506,781,251.44	51.30%	627,669,828.27	18.14%	299.00%
EPC	Material	1,286,809,864.40	26.33%	1,326,646,537.37	38.35%	-3.00%
EPC	Other	433,230,315.67	8.87%	226,473,155.49	10.77%	91.00%
Medical service		97,366,145.37	1.99%	57,672,498.15	1.67%	69.00%
Engineering design		13,262,528.25	0.27%	6,239,359.37	0.18%	113.00%
Decoration work	Labour	258,440,964.40	5.29%	276,123,560.64	7.98%	-6.00%

Decoration work	Material	196,802,191.03	4.03%	770,503,604.30	22.27%	-74.00%
Decoration work	Other	94,268,679.29	1.93%	168,616,201.07	0.63%	-44.00%

In RMB

Product	Items	2017		2016		Increase /decrease
		Amount	Proportion	Amount	Proportion	
EPC	Labour	2,506,781,251.4 4	51.30%	627,669,828.27	18.14%	299.00%
EPC	Material	1,286,809,864.4 0	26.33%	1,326,646,537.3 7	38.35%	-3.00%
EPC	Other	433,230,315.67	8.87%	226,473,155.49	10.77%	91.00%
Medical service		97,366,145.37	1.99%	57,672,498.15	1.67%	69.00%
Engineering design		13,262,528.25	0.27%	6,239,359.37	0.18%	113.00%
Decoration work	Labour	258,440,964.40	5.29%	276,123,560.64	7.98%	-6.00%
Decoration work	Material	196,802,191.03	4.03%	770,503,604.30	22.27%	-74.00%
Decoration work	Other	94,268,679.29	1.93%	168,616,201.07	0.63%	-44.00%

(6) Whether Changes Occurred in Consolidation Scope in the Report Period

√ Yes □ No

During the reporting period, the changes in the scope of the consolidated statements are detailed in

the notes to the financial statements.

(7) Relevant Situation of Significant Changes or Adjustment of the Business, Product or Service in the Company's Report Period

Applicable Not applicable

(8) Situation of Main Customers and Main Supplier

Information of Main Customers

Total sales amount to top 5 customers (RMB)	2,449,500,395.30
Proportion of sales to top 5 customers in the annual sales(%)	37.70
Proportion of the sales volume to the top five customers in the total sales to the related parties in the year	0.00%

Information of the Company's top 5 customers

No	Name	Amount (RMB)	Proportion(%)
1	Customer 1	604,096,882.41	9.30
2	Customer 2	568,080,400.47	8.74
3	Customer 3	536,217,335.62	8.25
4	Customer 4	371,220,768.54	5.71
5	Customer 5	369,885,008.26	5.69
Total	--	2,449,500,395.30	0.00

Other Notes :

Applicable Not applicable

Principal suppliers

Total purchase of top 5 Suppliers (RMB)	639,754,563.70
Percentage of total purchase of top 5 suppliers In total annual purchase(%)	12.67
Proportion of purchase amount from the top 5 suppliers in the total purchase amount from the related parties in the year	0.00%

Information about the top 5 suppliers

No	Name	Amount (RMB)	Proportion
1	Supplier 1	248,356,131.40	4.92%
2	Supplier 2	164,548,634.99	3.26%
3	Supplier 3	84,822,354.97	1.68%
4	Supplier 4	72,927,305.57	1.44%
5	Supplier 5	69,100,136.77	1.37%

Notes

Applicable Not applicable

3.Expenses

In RMB

	2017	2016	Increase/Decr	Notes

			ease(%)	
Sale expenses	32,213,247.97	30,318,688.27	6.25	
Administration expenses	312,957,207.20	313,930,733.56	-0.31	
Financial expenses	432,590,607.55	127,437,227.95	239.45	
			0.00	
			0.00	

4.R& D Expenses

Applicable Not applicable

In order to enhance the company's core competitiveness and meet the needs of sustainable development, the Company's main R&D direction during the reporting period was decoration engineering design, project general contracting, etc. Currently, each project has been progressed as scheduled, and after practical application, the good economic and social benefits have been achieved.

Situation of Research and Development Input by the Company

	2017	2016	Increase /decrease
Number of Research and Development persons (persons)	146	191	-23.56%
Proportion of Research and	5.08%	7.83%	-2.75%

Development persons			
Amount of Research and Development Investment (In RMB)	156,200,083.05	139,163,839.18	12.24%
Proportion of Research and Development Investment of Operation Revenue	2.40%	2.98%	-0.58%
Amount of Research and Development Investment Capitalization (In RMB)	0.00	0.00	0.00%
Proportion of Capitalization Research and Development Investment of Research and Development Investment	0.00%	0.00%	0.00%

The Reason of the Prominent Change in Total Amount of Research and Development Input Occupying the Business Income Year on Year

Applicable Not applicable

Explanation of the Reason for Substantial Changes in the Research and Development Input's

Capitalization Rate and Its Reasonableness

Applicable Not applicable

5.Cash Flow

In RMB

Items	2017	2016	Increase/Decrease(%)
Subtotal of cash inflow received from operation activities	10,789,046,921.79	4,618,123,624.04	133.62%
Subtotal of cash outflow received from operation activities	12,570,915,540.44	6,305,999,437.98	99.35%
Net cash flow arising from operating activities	-1,781,868,618.65	-1,687,875,813.94	0.00%
Subtotal of cash inflow received from investing activities	2,085,000.00	121,565,115.12	-98.28%
Subtotal of cash outflow for investment activities	1,022,993,256.12	246,357,420.64	315.25%
Net cash flow arising from investment activities	-1,020,908,256.12	-124,792,305.52	0.00%
Subtotal cash inflow received from financing activities	5,092,144,392.35	3,527,919,898.49	44.34%

Subtotal cash outflow for financing activities	2,564,264,123.49	1,348,742,579.57	90.12%
Net cash flow arising from financing activities	2,527,880,268.86	2,179,177,318.92	16.00%
Net increase in cash and cash equivalents	-296,482,731.93	360,959,565.60	-182.14%

Notes to the year-on-year change of the relevant data

Applicable Not applicable

The net cash flow generated by the company's operating activities was -1786799700RMB , of which RMB 540 million was invested in bank acceptance guarantees and bond guarantees, which greatly increased cash outflow from operating activities.

Notes to the big difference between cash flow from operating activities and net profit in the reporting year

Applicable Not applicable

III. Analysis of Non-core Business

Applicable Not applicable

IV. Condition of Asset and Liabilities

1. Condition of Asset Causing Significant Change

In RMB

	End of 2017	End of 2016	Proportio	Notes to the significant change
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	Amount	Proportion in the total assets(%)	Amount	Proportion in the total assets(%)	n increase/ decrease	
Monetary funds	1,604,973,916.12	13.76%	1,340,815,821.83	16.79%	-3.03%	
Account receivable	5,706,675,244.08	48.91%	3,725,170,208.31	46.65%	2.26%	
Inventory	556,839,325.50	4.77%	332,904,930.36	4.17%	0.60%	
Investment real estate		0.00%				
Long-term Equity Investment		0.00%				
Fixed assets	174,537,150.56	1.50%	128,483,747.74	1.61%	-0.11%	
Construction in process	4,968,590.96	0.04%			0.04%	
Short-term loans	3,477,200,420.55	29.80%	1,966,058,357.59	24.62%	5.18%	0

Long-term loans	843,092,471. 02	7.23%	786,858,878. 82	9.85%	-2.62%	0
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2.Asset and Liabilities Measured by Fair Value

Applicable Not applicable

3. Restricted asset rights as of the end of this Reporting Period

In the reporting period, Amount of RMB 100 million obtained by Wuhan Commercial Worker Hospital from Great Wall Guoxing Financial Leasing Co., Ltd. by means of financial leasing , Please refer to the published on January 5,2017 on www.cninfo.com.cn) on the relevant announcement.

V.Investment situation

1. General

Applicable Not applicable

Investment Amount in 2017(RMB)	Investment Amount in 2016(RMB)	Change rate
840,948,723.77	205,000,000.00	310.22%

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

The Company had no securities investment in the reporting period.

(2) Investment in Derivatives

Applicable Not applicable

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

5.Application of the raised capital

Applicable Not applicable

(1) General application of the raised funds

Applicable Not applicable

In RMB'0000

Year of Raising	Way of Raising	Total raised	Total Amount	Total amount of	Amount of raised	Accumulative	Proportion of	Total Amount	Use and Whereab	Amount of the

		capital	of the Raised Fund Used at the	Raised Funds	capital of which the purpose was changed in the report period	amount of raised capital of which the purpose has been changed	raised capital of which the purpose has been changed (%)	of the Unused Raised Fund at the Current Period	outs of the Unused Raised Fund	Raised Fund with over 2 Years' Idling
2015	Stocks issue	25,500	7,116.77	12,083.13	0	0	0.00%	13,416.87	20,533.64	In the special account to raise funds in storage
Total	--	25,500	7,116.77	12,083.13	0	0	0.00%	13,416.87	--	0

Notes to use of raised capital

Upon the approval from the CSRC with the document of the 2015-No.1774 Zheng Jian Xu Ke -Reply of the Major Asset Restructuring and the Issue of Shares to Objects such as Chen Lue to Purchase Assets and Raise Matching Funds by Shenzhen Victor Onward Textile Industrial Co., Ltd, Sino Great Wall International Engineering Co.,Ltd(hereinafter referred to as: "company or the company") had non-publicly issued 25,914,633 shares of RMB common share(A share), of which the par value per share was RMB 1.00, the issuing price per share was RMB 9.84, the total funds raised was

RMB 254,999,988.72, and after deducting the issuance expenses of RMB 14,500,000.00 directly from the raised funds, the actual net amount of the raised funds is RMB 240,499,988.72.

As of December 31, 2017, the company accumulatively used the raised funds of RMB 120,831,285.31, of which the Company used the raised funds of RMB 71,167,719.51 in 2017. By the end of 2017, the company accumulatively invested RMB 103,432,822.66 in the overseas marketing network construction project and RMB 276,000 in the second phase of informatization construction project, and the taxes and charges and the intermediary fees related to this transaction was RMB 17,122,462.65, yet the not-yet-used balance of the raised funds was 134,168,703.41; besides, the idle raised funds used for temporarily supplementing the Company's liquidity was RMB 120,000,000.00, the interest income from the special account for raised funds was RMB 1,670,913.81, the expenditure for the handling charges of the special account for raised funds was RMB 839.26, and the actual balance of the special account for raised funds was RMB 15,838,777.96.

(2) Promised projects of raised capital

√ Applicable □ Not applicable

In RMB'0000

Committed investment projects and investment	Project changed (including partial change)	Total raised capital invested as committed	Total investment amount after adjustment (1)	Amount invested in the reporting period	Accumulated amount invested at the end of the	Investment progress ended the reporting period(%)	Date when the project has reached the	Benefit realized in the reporting period	Has the predicted result been realized	Has any material change taken place in feasibility

		d			reporting period(2)	(3)=(2) 1)	predicte d applicabl e status			y
Committed investment projects										
1. Overseas marketing network construction project	Yes	10,000	10,000	7,116.77	10,343.28	100.00%			Yes	No
2. Informatization Construction Phase II	No	2,500	2,500		27.6	1.10%			No	No
3. Related taxes and agency fees of this transaction	No	13,000	13,000		1,712.25	13.17%			No	No
Subtotal of committeed investment projects	--	25,500	25,500	7,116.77	12,083.13	--	--		--	--
Investment orientation for und arising out of plan										
Not applicable										
Total	--	25,500	25,500	7,116.77	12,083.13	--	--	0	--	--

<p>Situation about not coming up to schemed progress or expected revenue and the reason (in specific project0</p>	<p>Not applicable</p>
<p>Notes to significant change in feasibility of the project</p>	<p>Not applicable</p>
<p>Amount, application and application progress of the unbooked proceeds</p>	<p>Not applicable</p>
<p>About the change of the implementation site of the projects invested with the proceeds</p>	<p>Applicable</p> <p>During the reporting period</p> <p>In view of the fact that the company's overseas international business environment has been changed, based on the current status of the company's overseas business and combined with the company's future development plans and the business development trend, the Company plans to make certain adjustments to the capital investment in the overseas marketing network and put the not-yet-in-use funds into the three important areas of Cambodia, Malaysia and Kuwait for the expense such as the bidding deposit for developing new project, paying the</p>

	<p>procurement materials for the local under-construction project, the sub-contracting engineering payment, etc. The matter was reviewed and approved at the 20th meeting of the 7th Board of Directors. The company's board of supervisors, independent directors and the sponsor all expressed their opinions of consent.</p>
Adjustment of the implementation way of investment funded by raised capital	Not applicable
About the initial investment in the projects planned to be invested with the proceeds and the replacement	Not applicable
Using the idle proceeds to supplement the working capital on temporary basis	<p>Applicable</p> <p>In order to maximize the use efficiency of the raised funds and reduce financial expenses, the Company will, in consideration of the funds use plan for the projects invested by the raised funds, use RMB 120 million of idle raised funds to temporarily supplement the liquidity, with a term of such use no more than 12 months, and it's expected that such amount will be returned to the special account for raised funds before August 1st, 2018. This matter was reviewed and approved at the 20th meeting of the 7th Board of Directors of the Company, and the company's independent</p>

	directors, board of supervisors, and the sponsor expressed their opinions of consent on the matter.
Balance of the proceeds in process of project implementation and the cause	Not applicable
About application and status of the proceeds unused	The company will use the raised money 120 million Yuan to supply circulating money and the remaining 14.1687 million Yuan will be saved in raised money account.
Problems existing in application of the proceeds and the information disclosure or other issues	Nil

(3) Changes of raised funds projects

Applicable Not applicable

The Company had no raised funds in company 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	Sectors engaged in	Registered capital	Total assets	Net assets	Turnover	Operating profit	Net Profit
Sino Great Wall International	Subsidiaries	General contracting, subcontracting, engineering survey and design;	1,000,000,000					

<p>nal Engineeri ng Co., Ltd.</p>		<p>professional contracting; architectural decoration engineering; architectural curtain wall; project and technology study and experimental development; sell building material, machinery, hardware, plastic articles; technology development, technology consultation, technology service; goods import and export; technology import and export; agent import and</p>						
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		export.						
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Acquirement and disposal of subsidiaries in the Reporting period

Applicable Not applicable

Notes

Sino Great wall International Construction Co., Ltd. is a subsidiary of the company and is the main of income and profits of the company, which accounts for more than 90% of all the company's operating income and net profit and the rest subsidiaries account for less than 10% of all the company's operating income and net profit, which weight less in the whole company's operation.

VIII.Special purpose vehicle controlled by the Company

Applicable Not applicable

IX.Prospect for future development of the Company

1.Strategy of the Company's Development

The year 2018, which is the beginning of the implementation of the 19th CPC National Congress and the 40th anniversary of reform and opening up, will be a crucial year for the decisive victory to build a well-off society in an all-round way and to carry out the 13th Five-Year Plan. The 2018 "Government Work Report" emphasized that we should continue to adhere to the general tone of work for stability and progress, adhere to the new development concept, closely follow changes in major social conflicts in our country, and coordinate the promotion of each work for steady growth, reform, structural adjustment, benefiting people's livelihood and the risk prevention in accordance with the requirements of high-quality development, vigorously promote the reform and opening up, innovate and improve the macroeconomic

regulation and control, promote the quality reformation, efficiency reformation and motivation reformation, and make sound achievements especially in combating tough battles for defusing major risks, the precision poverty alleviation and the prevention of pollution, guide and stabilize the expectations, strengthen and improve people's livelihood, as well as promote the sustained and healthy economic and social development.

1. Building construction:

Economic development of our country has a new trend with structure adjustment, steady enhancement and upgrading of industrial transformation. It is estimated that our economic trend will adjust from high-speed adjustment to middle-high increase with the reduction of fixed asset investment increase rate of the whole society in the future. For a middle or long time, development of national construction industry will change from high-speed increase to moderate increase. Although national construction industry develops steadily, the potential of whole industry remains great. Our country pushes greatly the public service on APP and infrastructure project, which will promote the great development of related lines. Our company is engaged in construction, body of PPP project, which can share the continuity and steady profits from construction, investment and operation of PPP project. In addition, With the rapid increase of urbanization, the demands of resident's house improving and living condition needs a long time, construction market still has a bright future.

Overseas, there are clear signs of global economic recovery in 2018, with the further advancement of the "Belt and Road" strategy will boost the development of construction in nations and areas along the sea and create an opportunity for national construction enterprises. As a renown international construction contractor, based on the reputation and market image cumulated for many years, the

company will exert first-move advantages on overseas business, talent advantages, management advantages and customer advantages to ensure the rapid growth of overseas business and fully enjoy the great benefits of “the Belt and Road” policy.

2. Healthcare:

“13th Five-Year Plan” plans out “Health China”. Medicare industry is of great concern. In 2013, State Council issued Suggestion on Stimulating the Development of Health Service Industry. In 2015, Ministry of Public Health and other four ministries successively issued Guidance on Pilot Projects of the Public Hospital Reform and Suggestion on Building Medical Organization by Encouraging and Guiding Social Capital and other standard files. With the issuance of a series of strategies and standard files, construction and industry development on medical and health industry step a new historical stage. The health demand of vast amount of population and constant growth of the mass provide a great market space for the development of all medical and health industry.

(II) The Company’s Development Strategy

The company focuses its development strategy on two aspects: one is to strengthen the project contracting and investment of the Belt and Road Initiative, and the other is to enhance the domestic medical investment. At present, the company has possessed abundant projects in Southeast Asia, South Asia, the Middle East and Africa, and aside from intensifying the exploitation of and investment to the countries in the above-mentioned regions, the company will take the efforts to explore North America, South America, Australia, Europe and other high-end markets as core for the next step. In the field of medical investment, more funds will be disposed, apart from the investment of hospital construction in PPP mode, in the acquisition of mature hospitals, the distribution of medical e-commerce, the

introduction of advanced medical technology and services from abroad. Centering around the development strategies of “enlarging and strengthening overseas business to become an integrated international construction services supplier” and “developing the health-care industry”, in the future, the company will devote major efforts to developing abroad business and arranging the medical industry so as to enhance its capacity for core competitiveness and profit constantly and eventually strive to build itself into a prominent business group developed by the mutual driving forces of construction and health-care industry.

(III) The Company's Business Plans

In 2018, the company will center on the development strategy formulated by the board of directors according to the macroeconomic situation and the industry trends at home and abroad, focusing on the following work:

1. Seize the historical opportunities and deepen the overseas markets

In 2018, the company will continue to deepen its overseas markets by centering on the national strategic layout, strengthen the exchanges and cooperation with the governments of countries and regions along the Belt and Road, and fully grasp the opportunities for construction projects brought by countries and regions along the “One Belt and One Road”, constantly expand the scale of the company's overseas business, focus on the intensive and meticulous cultivation of key markets, and innovate the business operation models to enhance the overseas influence of Sino Great Wall Brand.

2. Increase the efforts for the development of domestic business and actively participate in the construction of PPP projects and Xiong'an New District project construction

In 2018, the company will continue to increase its domestic business development efforts, continuously enhance the company's construction qualifications and improve the company's capability of

construction engineering, and actively participate in the construction of PPP projects. Also, the company will respond positively to the CPC Central Committee's call to further promote the coordinated development strategy of Beijing, Tianjin and Hebei, strengthen the company's business development and project implementation in the Xiong'an New District, and strive to participate in Xiong'an New District project construction.

In 2018, the company will continue to expand its business space in fields such as healthcare, infrastructure, etc., expand its domestic business scope, increase the company's domestic business revenue and profits, and enhance its overall strength and core competitiveness.

3. Actively develop new business and find new profit growth points

According to the "Guidelines for the Development of Prefabricated Buildings by the General Office of the State Council" and in light of the actual situation of the company, the Company has established the Sino Great Wall Smart House Industry (Zhanjiang) Co., Ltd to carry out the construction of the R&D center and the production base for the prefabricated smart houses, researching and developing the application technology of prefabricated building and accelerating the pace of entering the field of prefabricated smart house construction, thus to create new profit growth points for the Company.

4. Constantly broaden the financing channels and enhance the Company's strength

In 2018, the company will make full use of the platform advantages of listed company, well utilize the capital market, and actively explore various financing channels. According to the business development, project progress and the needs of mergers and acquisitions, the company will, through the issuance of corporate bonds, private debt and short-term financing bonds and so forth various means to raise funds in a timely manner, and optimize the company's financial status, thus to ensure the smooth operation of the company's various business activities.

4. Main Risks faced by the Company and Solutions

(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

As to the international market, on the one hand, the combinations among the strong ones of the giant international contractors in Europe, America, Japan and South Korea are increasingly common, which can increasingly strengthen the aspects including the technology, financing and management; on the other hand, more domestic enterprises have participated in the international market competition of construction & engineering, intensified the overseas construction market competition. In the domestic market, with the continuous rise of the attractiveness of PPP projects, many companies have participated in the construction of PPP projects. Thus, the PPP projects have been more difficult to bid and have fierce competition, which imposes a higher requirement on the Company's market expansion.

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

The company's main business is in a fully competitive market with low industry barriers and fierce competition. The company is in a period of rapid development, and the rapid development and expansion of domestic and foreign businesses raise higher requirements for the company's organizational operations 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

X. Particulars about researches, visits and interviews received in this reporting period**1. Particulars about researches, visits and interviews received in this reporting period**

√ Applicable □ Not applicable

Reception time	Way of reception	Types of visitors	Basic index
January 9, 2017	Onsite investigation	Organization	The interactive relation with the investors on Shenzhen Stock Exchange platform about Sino Great Wall International Engineering Co., Ltd: Record of the investors relations activities on January 9, 2017.
January 12, 2017	Onsite investigation	Organization	The interactive relation with the investors on Shenzhen Stock Exchange platform about Sino Great Wall International Engineering Co., Ltd: Record of the investors relations activities

			on January 12, 2017.
February 21,2017	Onsite investigation	Organization	The interactive relation with the investors on Shenzhen Stock Exchange platform about Sino Great Wall International Engineering Co., Ltd: Record of the investors relations activities on February 21, 2017.
February 22,2017	Onsite investigation	Organization	The interactive relation with the investors on Shenzhen Stock Exchange platform about Sino Great Wall International Engineering Co., Ltd: Record of the investors relations activities on February 22, 2017.
May 5,2017	Onsite investigation	Organization	The interactive relation with the investors on Shenzhen Stock Exchange platform about Sino Great Wall International Engineering Co., Ltd: Record of the investors relations activities on May 5, 2017.
August 24,2017	Onsite investigation	Organization	The interactive relation with the investors on Shenzhen Stock Exchange platform about Sino Great Wall International Engineering Co., Ltd: Record of the investors relations activities on August 24, 2017.
Reception times		6	
Reception agency amount		53	
Reception personal number		0	
Others		0	

Whether to disclose, reveal or disclose non-public material information	No
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V. Important Events

ISpecification of profit distribution of common shares and capitalizing of common reserves

Formulation, implementation and adjustment of profit distribution policy of common shares especially cash dividend policy during the reporting period

Applicable Not applicable

The profit distribution preplan or proposal and the preplan or proposal of conversion of the capital reserve into share capital in the past three years(with the reporting period inclusive):

Profit distribution plan for 2015 : based on the 2015 total share capital of 446.906582 million shares, The Company will transfer the capital reserve to increase capital stock, 28 shares for every 10 shares.

Profit distribution Preplan for 2016 : the Company distributed cash dividends of RMB 0.60 (including tax) for every 10 shares based on the existing 16,982,450,110 shares. with a total distribution of RMB 101,894,700.66.No bonus shares were given and no capital reserves were conversed. The remaining un-allocated profit will be carried over to the next year.

Profit distribution plan for 2017 : the Company distributed cash dividends of RMB 0.40 (including tax) for every 10 shares based on the existing 1,698,245,011 shares. With a total distribution of RMB 67,929,800.44. No bonus shares were given and no capital reserves were conversed. The remaining un-allocated profit will be carried over to the next year.

Dividend distribution of the latest three years

In RMB

Year	Cash dividend (Including Tax)	Net profit attributable to the over of the parent company in the consolidated financial statements	Ratio in net profit attributable to the parent company in the consolidated financial statements	Amount of cash dividends from cash offer to repurchase shares of the funds	Proportion of cash dividends from cash offer to repurchase shares of the funds
2017	67,929,800.44	380,090,990.82	17.87%	0.00	
2016	101,894,700.66	473,661,862.67	21.51%		
2015	0.00	346,648,651.48	0.00%	0.00	0.00%

In the reporting period, both the Company's profit and the parent company's retained earnings were positive however not cash dividend distribution proposal has been put forward.

Applicable Not applicable

II. Profit distribution plan and capitalizing of common reserves plan for the Period

Applicable Not applicable

Bonus shares for every ten shares(Shares)	0
Cash dividend for every ten shares (Yuan)(Tax-included)	0.40
Distribute additional (shares)for 10 shares	0
A total number of shares as the distribution	1,698,245,011

basis(shares)	
Total cash dividend (Yuan)(Tax-included)	67,929,800.44
Allocable profit (Yuan)	0.00
Proportion of cash dividend in the distributable profit (%)	1
Cash dividend distribution policy	
Other	
Details of proposal of profit distribution preplan or share conversion from capital public reserve	
<p>According to the “audit report” issued by BDO China Shu Lun Pan Certified Public Accountants LLP , as of December 31, 2017, the company’s parent company’s capital reserve balance was RMB 1,237,956,472.37, and the undistributed profit was RMB242,353,634.55. In view of the company’s development strategy and future business development needs, based on the provisions of the “Company Law” and “Articles of Association”, on the basis of taking into account the reasonable investment returns of shareholders and the company’s mid-to-long term development plan, the following distribution plan is proposed: Based on the existing 1,698,245,011 shares of the company’s existing capital, a cash dividend of RMB 0.40 (taxes included) will be distributed for every 10 shares, and a total of RMB 67,929,800.44 will be distributed as a cash dividend. No bonus shares were given and no capital reserves were converted. The remaining un-allocated profit will be carried over to the next year.</p>	

Note: If the share capital base for the company's profit distribution plan is temporarily uncertain, then the details of the profit distribution plan are required.

III. Commitments to fulfill the situation

1. 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 parties.

√ 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	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	March 19, 2015	36 months	Strict performing

			<p>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</p>			
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			<p>issue price will be calculated according to the price after the adjustment of ex-dividend, etc. if ex-dividend behaviors of the company, including distribution of dividends, giving bonus, conversion of share capital, rationing shares, and etc., were happened during the above-mentioned periods. If the restructuring transaction were March 19, 2015 36 months Strict performing Shenzhen Victor Onward Textile Industrial Co., Ltd. The Third Quarterly Report 2015. 14 investigated by judicial authorities or China Securities Regulatory Commission due to false record, misleading statement or major omission of the information provided or disclosed, I will not transfer my shares of the company before the conclusion of the case has been made clear. After the above-mentioned</p>			
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			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	March 19,2015	Long-term	Strict performing

			<p>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</p>			
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			system and funds management system within lawful authority.			
	Chen Lue	Cash compensation	In view of the fact that the houses rented by Sino Great Wall and its son subsidiaries, subsidiaries, haven't rental registration, I promise, if Sino Great Wall and its son subsidiaries, subsidiaries, were penalized by real estate management department or suffered other losses resulting from it, I agree to compensate the loss of the company by cash.	March 19,2015	Long-term	Strict performing
	Chen 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	March 19,2015	Long-term	Strict performing

			<p>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.</p>			
	Chen Lue	Cash compensation	<p>"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</p>	March 19,2015	Long-term	Strict performing

			<p>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-subidiaries of Sino Great Wall won't suffer any loss.</p> <p>2. This commitment letter is irrevocable.</p>			
	Chen Lue	Cash compensation	<p>1. On condition that ownership defect exists in the lease of house property of parent-subidiary companies of Sino Great Wall and its subsidiary corporation, which resulted in inability for parent-subidiary companies of Sino Great Wall and its subsidiary corporation to continue leasing this house property but having to relocate, or parent-subidiary companies of Sino Great Wall and its subsidiary</p>	March 19,2015	Long-term	Strict performing

			<p>corporation can't timely find suitable workplace for lawful operation in related area, I will undertake to compensate by cash for parent-subsiary 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-subsiary companies of Sino Great Wall on condition that the rental house property of parent-subsiary companies of Sino Great Wall and its subsidiary corporation is in absence of handling procedures for filing house leasing ,which resulted in that parent-subsiary companies of Sino Great Wall and its subsidiary corporation are fined by property administrative department. 3.The commitment letter is irrevocable.</p>			
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	Chen Lue	Cash compensation	<p>“In condition that parent-subsiary 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 ”.</p>	March 19,2015	Long-term	Strict performing
	Chen Lue	Cash compensation	<p>“At present, Suzhou Lvbang has possessed one state-own land use right, of which the land certificate is Suzhou Guo Yong(2014) No.Y2014086”, locates in Danan</p>	March 19,2015	Long-term	Strict performing

			<p>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</p>			
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			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.			
	Chen Lue	Cash compensation	<p>"According to the "Agreement of Significant Asset Replacement and Issue of Share to Buy Asset" (hereinafter referred to as "Agreement") signed among Victor Onward Holdings, all shareholders of Sino Great Wall and Union Development Group Co., Ltd (hereinafter referred to as " Union</p>	March 19,2015	Long-term	Strict performing

			<p>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 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</p>			
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			<p>“ Agreement”, I will compensate by cash for the Victor Onward Company within 5 working day in advance.</p> <p>Meanwhile, I will reserve the resource rights for Union Group and the specified third party “.</p>			
	Chen Lue , He Feiyan	Performance commitment	<p>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</p>	May 11,2015	Long-term	Strict performing

			compensate for listed company in accordance with "Performance Compensation Agreement" and its supplemental agreement			
	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 possession(if any) and the listed company in staff, asset, finance, institution and business, sustaining the independence in the listed company's	September 30,2015	Long-term	Strict performing

			<p>staff, asset, finance, institution and business, as follows: (1).The</p> <p>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.</p> <p>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</p>			
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			<p>appointing and dismissing personnel by exercising official power. (2)The</p> <p>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</p>			
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			<p>holds no part-time post in my enterprise and other enterprises under my possession. 4. Ensure that the listed company pays taxes according to law. 5. Ensure that the listed company makes the financial decision-making independently, I will not intervene the utilization of the listed company's capital. (4)The</p> <p>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</p>			
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			<p>incorporation (5)The Ensurance of the Business Independence of Listed Company</p> <p>1. Ensure that the listed company possesses the asset, staff, qualification and ability for independently holding business activities, which possesses the independent, autonomous and sustain operation ability catering to the market. 2. Ensure that I will not intervene the listed company's business activities except exercising shareholder's rights. 3.Ensure that I or other enterprises under my possession will avoid working on the listed company's main business which possesses substantial competition. 4. Ensure to reduce the related transaction between me and the listed company or between other enterprises under my possession and the listed company as much as possible; When</p>			
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			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.			
	Chen Lue; He Feiya	Relate transactions	<p>"1.Before this reorganization, the fairness and reasonableness of pricing and the legitimacy and effectiveness of decision-making procedure exist in the transaction(if any) between me or the enterprise under my possession(if any) and Sino Great Wall which is planned to place asset in, no related transaction with obvious unfairness exists ; 2.After this reorganization, I or the enterprise under my possession will avoid and reduce the related transaction with listed company as</p>	March 19,2015	Long term	Strict performing

			<p>much as possible. As for any unavoidable or reasonable related transaction, I or the enterprise under my possession will sign the agreement according to laws and fulfill the lawful procedure, and fulfill relevant approval procedure for internal decision-making and timely fulfill the obligation of disclosing information according to law, following relevant laws, regulations, other normative documents and articles of listed company, which is to guarantee the fairness and reasonableness in related transaction pricing, to guarantee the fairness of transaction condition and to guarantee not to utilize the related transaction to illegally transfer the capital and profit of listed company, and not to utilize this transaction to engage in any behaviors which will cause any losses</p>			
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			to listed company or other shareholder's legitimate rights. Once I violate the above promises and cause losses to the listed company, I will compensate the listed company for the losses caused by the this matter.			
	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	March 19,2015	Long-term	Strict performing

			<p>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</p>			
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			<p>Sino Great Wall Signed supplementary agreement, and specified that the land and houses without ownership certificate of Victor Onward Holdings located at the factory area of Kuixin community of Kuichong street office of Longgang district (the land area is about 50,000 square meters, the built-up area of houses is about 25,000 square meters, among them about 18,000 square meters of buildings at built-up area are within the plan of removal and collection of government , hereinafter referred as “undocumented property) still belongs to Victor Onward Holdings. And the benefits and risks of the real estate without certificate are enjoyed and assumed by Victor Onward Holdings.”</p>			
	Union Development	Cash compensati	According to the Term 5.5.3 of Agreement on Major Asset	March 19,2015	Long-ter m	Comple ed the

	Group Co., Ltd	on	<p>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</p>			<p>impleme ntation (On March 29, 2018, the compan y received an economi c compen sation of RMB 100 million from Shenze n Union Develop</p>
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			<p>company or the third party appointed by the company will fully compensate for the caused losses of Victor Onward Holdings in 5 working days after receiving the notice. According to the Term 5.5.4 of Agreement, after the date of assets delivery, any compensations, obligations of payment and penalties caused by disposed assets as well as unsettled disputes in Victor Onward Holdings will be undertaken and solved by the company or the third party appointed by the company, and Victor Onward Holdings assumes no responsibility. When there are losses caused by it, the company or the third party appointed by the company will fully compensate for the caused losses of Victor Onward Holdings in 5 working days after receiving the notice. According to the Term 5.6.1 of</p>			<p>ment Investm ent Co., Ltd., and promise d to complet e the performa nce.)</p>
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		<p>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.</p> <p>(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.</p> <p>Compensations or related matters (if any) due to the termination of labor relationship in advance with Victor</p>			
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			<p>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>			
<p>Commitments make in initial public offering or re-financing</p>	No	No	No		No	No
<p>Equity incentive commitment</p>	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					

2.The existence of the company's assets or projects earnings forecasts and earnings reporting period is still in the forecast period, the company has assets or projects meet the original profit forecast made and the reasons explained

Applicable Not applicable

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

Applicable Not applicable

No non-operating occupation from controlling shareholders and its related party in the period.

V.Explanation of the Supervisory Committee and Independent Directors (If applicable)on the Qualified Auditor's Report Issued by the CPAs.

Applicable Not applicable

VI.Explain change of the accounting policy, accounting estimate and measurement methods as compared with the financial reporting of last year.

Applicable Not applicable

Implementation of the "No. 42 Accounting Standard for Business Enterprises-Non-current Assets for Sale, Disposal Group, and Termination of Operation", the "No. 16 Accounting Standard for Business Enterprises-Government Grants" and the "Notice on the Issuance of the Revised Format of Financial Statements for General Enterprises", Revised the original accounting policy

VII.Explain retrospective restatement due to correction of significant accounting errors in the reporting period

Applicable Not applicable

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

VIII.Explain change of the consolidation scope as compared with the financial reporting of last year.

Applicable Not applicable

During the reporting period, the changes in the scope of the consolidated statements are detailed in the notes to the financial statements.

IX. Engagement/Disengagement of CPAs

CPAs currently engaged

Name of the domestic CPAs	BDO China Shu Lun Pan Certified Public Accountants LLP
Remuneration for domestic accounting firm (RMB'0000)	200
Continuous life of auditing service for domestic accounting firm	3
Name of domestic CPA	Liao Jiahe, Feng Xue
Continuous life of auditing service for domestic accounting firm	3

Has the CPAs been changed in the current period

Yes No

CPAs firm for the internal control audit

applicable Not applicable

In the current year, the company engaged BDO China Shu Lun Pan Certified Public Accountants LLP as the internal control audit accounting firm, during the period, the company totally pays RMB 0.5 million for the internal control audit expenses.

X.Situation of Facing Listing Suspension and Listing Termination after the Disclosure of the Yearly Report

Applicable Not applicable

XI.Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in reporting period.

XII.Significant lawsuits and arbitrations of the Company

Applicable Not applicable

No significant lawsuits and arbitrations occurred in the reporting period.

XIII.Situation of Punishment and Rectification

Applicable Not applicable

No penalty and rectification for the Company in reporting period.

XIV.Credit Condition of the Company and its Controlling Shareholders and Actual Controllers

Applicable Not applicable

XV.Implementation Situation of Stock Incentive Plan of the Company, Employee Stock Ownership Plan or Other Employee Incentive Measures

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, 2015 (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 (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 833,187 shares which account for 0.1864% of the company's total share capital, and the total turnover is RMB37,291,630. 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 (www.cninfo.com.cn) on the relevant announcement.

On November 20, 2017, with the consent of more than two-thirds of the holders presented at the holders' meeting, the "Proposal on the one-year extension of the company's first phase ESOP" was passed. On November 21, 2017, the company held the twenty-sixth meeting of the seventh board of directors, which reviewed and adopted the "Proposal on the one-year extension of the company's first phase ESOP", and according to the voting result of the holders' meeting, the board agreed to extend the duration of the company's first phase ESOP by one year, meaning that the ESOP can sell shares within the afore-said extension of one year (until November 23, 2018). If the shares are not sold before the expiration of the extended one year, a further meeting of the holders and the meeting of the board of directors can be convened two months before the expiration to consider the follow-up matters.

announcement.

XVI. Material related transactions

1. Related transactions in connection with daily operation

Applicable Not applicable

Nil

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

Applicable Not applicable

No related transactions by assets acquisition and sold for the Company in reporting period.

3. Related-party transitions with joint investments

Applicable Not applicable

No main related transactions of joint investment outside for the Company in reporting period.

4. Credits and liabilities with related parties

Applicable Not applicable

Nil

5. Other significant related-party transactions

Applicable Not applicable

No other material related transactions.

XVII.Particulars about significant contracts and their fulfillment

1. Particulars about trusteeship, contract and lease

(1) Trusteeship

Applicable Not applicable

No trusteeship, contract or leasing for the Company in reporting period.

(2) Contract

Applicable Not applicable

No any contract for the Company in the reporting period.

(3) Lease

Applicable Not applicable

Notes

During the reporting period, the company's leasing expenses were mainly the company's office space and staff quarters' capital expenditures.

The company's profit and loss has reached more than 10% of the company's total profit during the reporting period

Applicable Not applicable

Nil

2. Guarantees

Applicable Not applicable

(1) Guarantees

In RMB'0000

Guarantee of the Company for the controlling subsidiaries (Exclude controlled subsidiaries)								
Name of the	Relevant	Amount of	Date of	Actual mount of	Guarantee type	Guarantee term	Complete implement	Guarantee for

Company	disclosure date/No. of the guarantee d amount	Guarantee	happening (Date of signing agreement)	guarantee			ation or not	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 International	April 28, 2017	70,000	November 16, 2017	70,000	The joint liability guaranty	1 year	No	No
Sino International	April 28, 2017	13,000	October 28, 2016	13,000	The joint liability guaranty	1 year	No	No

Sino International	April 28,2017	7,000	February 28, 2017	7,000	The joint liability guaranty	1 year	No	No
Sino International	April 28,2017	20,000	April 14, 2017	20,000	The joint liability guaranty	1 year	No	No
Sino International	April 28,2017	18,000	January 3, 2017	18,000	The joint liability guaranty	1 year	No	No
Sino International	April 28,2017	1,2000	June 7, 2017	1,2000	The joint liability guaranty	1 year	No	No
Sino International	April 28,2017	40,000	July 25, 2017	40,000	The joint liability guaranty	1 year	No	No
Sino International	April 28,2017	20,000	October 18, 2017	20,000	The joint liability guaranty	1 year	No	No
Sino International	April 28,2017	10,000	November 22, 2017	10,000	The joint liability guaranty	1 year	No	No

Sino International	April 28,2017	8,400	March 31, 2017	8,400	The joint liability guaranty	30 months	No	No
Wuhan Commercial Work Hospital	April 28,2017	10,889.81	January 18, 2017	10,889.81	The joint liability guaranty	3 years	No	No
Sino Construction	April 28,2017	5,000	September 30, 2017	5,000	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)		234,289.81		
Total of guarantee for subsidiaries approved at Period-end (B3)		900,000		Total of actual guarantee for subsidiaries at Period-end (B4)		234,289.81		
Guarantee of the subsidiaries for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the	Amount of guarantee	Date of happening (Date o signing	Actual mount of guarantee	Guarantee type	Guarante e term	Complete implemen tation or	Guarantee for associated parties

	guaranteed amount		agreement)			not	(Yes or no)
Total guarantee quota to the subsidiaries approved in the reporting period (C1)				Total amount of guarantee to the subsidiaries actually incurred in the reporting period (C2)			0
Total guarantee quota to the subsidiaries approved at the end of the reporting period (C3)				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)			234,289.81
Total of guarantee at Period-end (A3+B3+C3)		900,000		Total of actual guarantee at Period-end (A4+B4+C4)			234,289.81
Including :							
Amount of guarantee for shareholders, actual controller and				0			

its associated parties (D	
The debts guarantee amount provided for the Guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly (E)	0
D+E+F	2,342,898,099.51
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees (If any)	Nil
Explanations on external guarantee against regulated procedures(If any)	Nil

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.Situation of Entrusting Others for Managing Spot Asset

(1)Situation of Entrusted Finance

Applicable Not applicable

Nil

(2)Situation of Entrusted Loans

Applicable Not applicable

Nil

4. Other significant contract

Applicable Not applicable

Nil

XVIII. Social responsibility

1. Execution of social responsibility

The company actively fulfilled its social responsibilities, and by continuously improving the construction safety mechanism and actively implementing the measures such as occupational health protection measures, the Company prevented the major safety accidents and ensured the personal safety and health of employees; the Company continuously improved the salary and welfare system and perfected various labor employment system, refined the harmonious labor relations, put great efforts to provide employees with a broad space for development. Meantime, the company also has been provided assistance to sick workers and difficult-life employees and promoted the harmonious development between employees and society. The company always attaches great importance to the return to shareholders, even in facing a complex and volatile market environment, the company strived to complete its annual business plan, keeping the stable growth of the business performance. Meanwhile, the company paid all taxes and fees in full in accordance with the law, and conscientiously fulfilled its social responsibilities

2. Precise poverty alleviation social responsibility

There are no precise poverty alleviation carried out in the period and no follow plan either.

3. Environmental protection

The listed Company and its subsidiary whether belongs to the key sewage units released from environmental protection department

No

The Company and its subsidiaries do not belong to the key pollutant discharge units announced by the environmental protection department.

XIX. Explanation on other significant events

Applicable Not applicable

On July 7, 2016, the 10th meeting of the 7th Board of Directors and the 7th meeting of the 7th Board of Supervisors were convened to examined and adopted the related proposals on non-public Issuing of Shares. On

July 25, 2016, the 2nd provisional general meeting of shareholders was convened to deliberate and approve the

related proposals on Private Issuing of Shares.

On October 14, 2016, CSRC Receipt Notice on Administrative Licensing Application released by CSRC was

received. The application documents for administrative licensing submitted by the company were reviewed and

considered to be complete and conform to the legal form by CSRC, and the administrative licensing application

was accepted by CSRC.

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. , Approved that the company's non-public issuance shall issue no more than 86,455,330 new shares, which shall be valid within six months from the date (July 5, 2017) of approval of the issuance.

Due to changes in the capital market environment, the company failed to complete the above non-public issuance within six months from the date of approval of the issuance by the China Securities Regulatory Commission. Therefore, the above-mentioned approval of the non-public issuance of shares expired automatically.

XX. Significant event of subsidiary of the Company

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	Proporti on	Share allotme nt	Bonus share s	Capitalizati on of common reserve fund	Other	Subtotal	Quantity	Proportio n
1.Shares with conditional subscription	681,035,811	40.10%				269,625	269,625	681,305,436	40.12%
3.Other domestic shares	681,035,811	40.10%				269,625	269,625	681,305,436	40.12%
Including : Domestic Legal	42,479,672	2.50%						42,479,672	2.50%

person shares									
Domestic natural person shares	638,556,139	37.60%				269,625	269,625	638,825,764	37.62%
II. Shares with unconditional subscription	1,017,209,200	59.90%				-269,625	-269,625	1,016,939,575	59.88%
1. Common shares in RMB	753,405,969	44.36%				-269,625	-269,625	753,136,344	44.34%
2. Foreign shares in domestic market	263,803,231	15.54%						263,803,231	15.54%
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

In shares

Shareholder Name	Initial Restricted Shares	Number of Unrestricted Shares This Term	Number of Increased Restricted Shares This Term	Restricted Shares in the End of the Term	Reason for Restricted Shares	Date of Restriction Removal
Chen Lue	525,344,262	0	0	525,344,262	The major asset restructuring and the issue of shares to purchase assets and raise matching funds	October 14,2018
Chen Lue	55,995,934	0	0	55,995,934	The major asset restructuring and the issue of shares to	November 27,2018

					purchase assets and raise matching funds	
Chen Lue	769,500	387,000	0	382,500	Executive locking stock	Not applicable
He Feiyan	54,800,458	0	0	54,800,458	The major asset restructuring and the issue of shares to purchase assets and raise matching funds	October 14,2018
He Sen	1,637,435	0	0	1,637,435	The major asset restructuring and the issue of shares to purchase assets and raise matching funds	October 14,2018
Jiutai Fund - Bank of Communications - Jiutai Huitong	42,479,672	0	0	42,479,672	The major asset restructuring and the issue of shares to purchase assets	November 27,2018

No.2 specific customer asset management plan					and raise matching funds	
Li Erlong	8,550	0	610,500	619,050	Executive locking stock	Not applicable
Yang Chunling	0	0	46,125	46,125	Executive locking stock	Not applicable
Total	681,035,811	387,000	656,625	681,305,436	--	--

II.Issuing and listing

1.Explanation of the Situation of the Security Issue(No Preferred Shares) in the Report Period

Applicable Not applicable

2.Change of asset and liability structure caused by change of total capital shares and structure

Applicable Not applicable

3.About the existing employees' shares

Applicable Not applicable

III.Shareholders and actual controlling shareholder

1. Number of shareholders and shareholding

In Share

Total number of common shareholders at the end of the reporting period	67,510	Total shareholders at the end of the month from the date of disclosing the annual report	67,825	The total number of preferred shareholders voting rights restored at period-end (if any)(See Notes 8)	0	Total preferred shareholders at the end of the month from the date of disclosing the annual report	0	
Shareholding of shareholders holding more than 5% shares								
Shareholders	Nature 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 of share pledged/frozen	
							State of share	Amount
Chen Lue	Domestic Natural person	34.36%	583,454,556	+510,000	581,722,696	1,731,860	Pledge	473,260,594

STYLE-SUCCESS LIMITED	Foreign legal person	5.47%	92,970,900	0	92,970,910		
Union Holdings Co., Ltd.	Domestic Non-State-owned legal person	5.18%	87,935,921	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 specific customer asset management plan	Other	2.50%	42,479,672	0	42,479,672	0	
Bohai International Trust Co., Ltd. - Bohai Trust:250 Henglifeng Single fund trust	Other	1.71%	29,104,000	0	29,104,000		

China International Finance Co., Ltd.	Other	1.70%	28,822,543	0	0	28,822,543		
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	0.87%	14,731,783	-3,468,537	0	14,731,783		
Qinghai Heyi Industry Development Co., Ltd.	Domestic Non- State-owned legal person	0.79%	13,357,084	+100	0	13,357,084	Pledge	13,357,000
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable) See Notes 3)							Nil	
Explanation on associated relationship among the aforesaid							The largest shareholder of Mr. Chen Lue and the Fourth largest shareholder of Ms. He Feiyan aforesaid are persons acting in concernp; The controlling shareholder of	

shareholders	the above-mentioned third shareholder Shenzhen Union Holdings Co.,Ltd. And Eighngh shareholder Rich Crown Investment Co., Ltd.. Is Union Development Group Ltd. whether the other shareholders have associated relations are unknown.		
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 exchang	92,970,910
Union Holdings Co., Ltd.	87,935,921	RMB Common shares	87,935,921
Bohai International Trust Co., Ltd. - Bohai Trust·250 Henglifeng Single fund trust	29,104,000	RMB Common shares	29,104,000
China International Finance Co., Ltd.	28,822,543	RMB Common shares	28,822,543
Rich Crown Investment Co., Ltd.	23,235,313	Foreign shares placed in domestic exchang	23,235,313

Bank of China - Fortis Income Growth Securities Investment Fund	14,731,783	RMB Common shares	14,731,783
Qinghai Heyi Industry Development Co., Ltd.	13,357,084	RMB Common shares	13,357,084
Song Wenguang	9,053,781	Foreign shares placed in domestic exchang	9,053,781
Cai Yu	9,000,000	RMB Common shares	9,000,000
Huang Huaian	8,507,000	RMB Common shares	8,507,000
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 shareholder Shenzhen Union Holdings Ltd. and shareholder Rich Crown Investment Co., Ltd.. Is Union Development Group Ltd.		
Notes to the shareholders involved	Nil		

in financing securities (if any)(See Notes 4)	
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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. Controlling shareholder

Nature of Controlling Shareholders: Natural Person Holding

Type of Controlling Shareholders: Natural Person

Name	Nationality	Whether to obtain the right of abode in other countries or regions
Chen Lue	China	No
Main occupations and duties	Board Chairman of the Company	
Situation of domestic and abroad holding listed companies in the reporting period.	Nil	

Change of the actual controller in the reporting period

Applicable Not applicable

Nil

3 . Information about the controlling shareholder of the Company

Actual controller nature : Domestic natural person

Actual controller type : Natural person

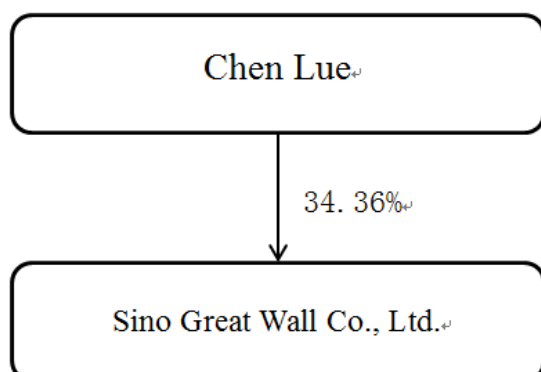
Name	Nationality	Whether to obtain the right of abode in other countries or regions
Chen Lue	China	No
Main occupations and duties	Board Chairman of the Company	
Situation of domestic and abroad holding listed companies in the part 10 years	Nil	

Changes of the actual controller in the reporting period

Applicable Not applicable

No Changes of the actual controller in the reporting period

Block Diagram of the ownership and control relations between the company and the actual controller



The actual controller controls the company by means of trust or managing the assets in other way

Applicable Not applicable

4.Particulars about other legal person shareholders with over 10% shareheld

Applicable Not applicable

5.Situation of Share Limitation Reduction of Controlling Shareholders, Actual Controllers, Restructuring

Party and Other Commitment Subjects

Applicable Not applicable

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

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	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)	Other changes increase/decrease	Shares held at the year-end (share)
Chen Lue	Board chairman	In office	Male	47	October 29, 2015	October 28, 2018	582,944,556	510,000	0	0	583,454,556
Hu Yongfeng	Director	In office	Male	55	May 12, 2000	October 28, 2018	0	0	0	0	0
Li Erlong	Vice Board chairman, Deputy General Manager	In office	Male	42	October 29, 2015	October 28, 2018	11,400	814,000	0		825,400
Liang Rong	Vice Board chairman, Deputy General Manager	In office	Male	48	October 29, 2015	October 28, 2018	0	0	0	0	0
Wang Lei	Director	Dimission	Male	54	October 29, 2015	January 18, 2018	0	0	0	0	0
Bai Bin	Director	In office	Male	32	October 29, 2015	January 18, 2018	0	0	0	0	0
Tang Jianxin	Independent director	In office	Male	52	October 29, 2015	October 28, 2018	0	0	0	0	0
Zhang Yufeng	Independent director	In office	Male	54	October 29, 2015	October 28, 2018	0	0	0	0	0
Jiang Chongguang	Independent director	In office	Male	42	October 29, 2015	October 28, 2018	0	0	0	0	0

Dong Bingen	Chairman of the supervisory committee	In office	Male	68	June 26,2002	October 28,2018	0	0	0	0	0
Huang Desheng	Supervisor	In office	Male	46	October 29,2015	October 28,2018	0	0	0	0	0
Wu Xiaoming	Supervisor	In office	Male	37	October 29,2015	October 28,2018	0	0	0	0	0
Cui Hongli	Deputy General Manager	In office	Female	45	July 6,2017	October 28,2018	0	0	0	0	0
Yang Chunling	Secretary to the board of directors	In office	Female	46	October 29,2015	October 28,2018	0	61,500	0	0	61,500
Tian Wei	General Manager	In office	Male	59	July 6,2017	October 28,2018	0	0	0	0	0
Wang Shaojun	Deputy General Manager	In office	Male	61	July 6,2017	October 28,2018	0	0	0	0	0
Tang Xianying	Deputy General Manager, CFO	In office	Male	44	July 6,2017	October 28,2018	0	0	0	0	0
Peng Lizhi	Deputy General Manager	In office	Male	49	December 5,2017	October 28,2018	0	0	0	0	0
Tian Wei	Director	In office	Male	59	March 28,2018	October 28,2018	0	0	0	0	0
Total	--	--	--	--	--	--	582,955,956	1,385,500	0	0	584,341,456

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

√ Applicable □ Not applicable

Name	Positions	Types	Date	Reason
Chen Lue	Former Chairman, General Manger	Engaged	July 6,2017	Due to change of job, resigned from the general manager of the company, and only serves as the chairman of the company
Tian Wei	General Manager	Engaged	July 6,2017	Appointed as the general manager of the company by the 19th meeting of the seventh Board of Directors
Wang Shaojun	Deputy General Manager	Engaged	July 6,2017	Appointed as the Deputy manager of the company by the nineteenth meeting of the seventh Board of Directors
Cui Hongli	Former CFO	Engaged	July 6,2017	Due to change of job resigned from the CFO, and appointed as the deputy general manager of the company by the 19th meeting of the seventh Board of Directors
Tang Xianyong	Deputy General Manager, CFO	Engaged	July 6,2017	Appointed as the Deputy general manager and CFO of the company by the nineteenth meeting of the seventh Board of Directors
Peng Lizhi	Deputy General Manager	Engaged	December 5,2017	Appointed as the general manager of the company by the 27th meeting of the seventh Board of Directors

Bai Bin	Director	Resignation	January 18,2018	Resigned due to personal reasons
Tian Wei	Director	Engaged	March 28,2018	Elected as a non-independent director in the first extraordinary shareholders' general meeting of 2018

III. Posts holding

Main working experience of current directors, supervisors and senior management staff

(1) Director

Chen Lue, male, Chinese nationality, no overseas permanent residence, born in April 1970, currently the doctoral students of accounting specialty in Wuhan University, Senior Management MBA of Guanghua School of Management of Beijing University, Senior Management MBA of School of Economics and Management of Tsinghua University, Bachelor in major of Food Science and Nutritional Engineering of China Agricultural University, senior engineer. He had served as a technician in Zhuhai Fisheries Group Canned Food Factory, project manager in Guangdong Yuexi Construction Company, vice general manager in Guizhou Construction Engineering Group Dongguan Company, vice general manager in Shenzhen Great Wall Furniture Decoration Engineering Co., Ltd. Currently, he is the Vice Chairman of Beijing Decoration Association, Director of Informatization Committee of China Building Decoration Association, director of information technology committee, executive member of China Building Decoration Association, the first chairman of Beijing-Zhanjiang Business Association. From June 2006 to September 2014, he was the chairman of Great Wall Construction Engineering Co. Ltd; from December 2007 to September 2014, he served as the general manager of Great Wall Construction

Engineering Co. Ltd; from October 2001 to June 2016, He has been the chairman of Sino Great wall International Engineering Co., Ltd., Since October 2001, he has been the director of Sino Great wall International Engineering Co., Ltd., since November 2007, he has been the executive director of Sino Great Wall Decoration Design Co., Ltd; since April 2014, he has been the executive director of Sino Great Wall Investment (Beijing) Co., Ltd; since February 2015, he has been the executive director of Shenzhen Dalue Investment Co., Ltd., since September 2015, he has been the chairman and the general manager of Sino Great Wall Cubic Investment Co., Ltd; since October 2015, he has been the chairman of China Industry Investment Co., Ltd., the company. since June 2016, he has been the executive director and Manager of Sino Great wall (Beijing) Investment Fund Management Co., Ltd., Since January 2017, he has been the chairman of Zhongshang Sino Aerospace Technology (Beijing) Co., Ltd., From October to July 2017, he has been the chairman and General Manager of the Company, Since July 2017, He has been the Chairman of the Company.

Hu Yongfeng, Chinese nationality, no overseas permanent residence, male, born in July 1962, graduated from East China Textile Engineering College in 1983, bachelor, senior engineer. He served as the director of the general office of the National Textile Association. Since August 1998, he has been the Vice president of Union Development Group Co., Ltd., From October 2000 to October 2015, he has been the chairman and General Manager of Shenzhen Victor Onward Textile Industrial Co., Ltd., Since April 2008, he has been the director of Tengbang International business Services Group Co., Ltd., Since December 2013, he has been the Independent director of Tengbang International Business Services Group Co., Ltd., Since July 2015, he has been the chairman and General Manager of Zhongguo Chuangye Co., Ltd., Since December 1998, he has been the Vice chairman of Union Holding Co., Ltd.,

Since October 2015, he has been the director of the Company.

Li Erlong, Chinese nationality, no overseas permanent residence, male, was born in September 1975, graduated from the Shandong Building Materials Engineering College, MBA of Tsinghua University. He had served as the assistant to director of the National Building Materials Quality Supervision and Inspection Center, the researcher for the China-Africa R&D Center of Artificial Crystal. Since March 2005, he has been served as the general manager of Sino Great Wall International Engineering Co., Ltd.; since November 2007, he has been the manager of Beijing Sino Great Wall Decoration Design Co., Ltd.; since June 2014, he has been the director of Sino Great Wall International Engineering Co., Ltd., Since September 2015, he has been the director of China Industry Investment Co., Ltd., since July 2016, he has been the chairman of Sino Great Wall International Engineering Co., Ltd., Since August 2016, he has been the executive director of Sino Great Wall Southwest Construction Engineering Co., Ltd., Since November 2016, he has been the chairman of Sino Great Wall Jianye Engineering Co., Ltd., since December 2016, he has been the General Manger of Sino Great Wall Development (Hengqin) Co., Ltd., From October 2015 to June 2017, he has been the Director and Genral Manger of the Company, Since September 2017, he has been the executive director and General Manger of Sino Great Wall Southwest Engineering Consulting Co. , Ltd . Sino Great Wall Southwest Commercial Trade Co., Ltd. And Sino Great Wall Southwest Technology Co., Ltd., since February 2018, he has been the executive director of Sino Great Wall Hebei Xiongan Engineering Co., Ltd., Since July 2017, he has been the Vice Chairman and Deputy General Manger of the Company.

Liang Rong, Male Chinese nationality, no overseas permanent residence, was born in December 1969 , graduated from civil engineering major of Shantou University and MBA of Senior Management of

Nankai University, is a senior engineer. He had severed as Assistant Engineer of Zhuhai Xinzhou Real Estate Co., Ltd, Quantity Surveyor of Japan Shimizu Construction Co., Ltd, and Project Manager of Shenzhen Great Wall Furniture Decoration Engineering Co., Ltd. From April 2003 to June 2016, he has been the Executive General Manger of Sino Great Wall Construction Engineering Co., Ltd., since June 2014, he has been the Director Sino Great Wall Construction Engineering Co., Ltd., since Novemer 2014, he has been the Diretor of Sino Great Wall International Engineering(Macao) Co., Ltd., From October 2015 to June 2017, he has been the director and Deputy General Manger of the Company, since August 2017, he has been the Chairman of Sino Great Wall Group Co., Ltd., Since September 2017, he has been the Chairman of Kunming Sino Shengong Forestry Development Co., Ltd.,since October 2017, he has been the General Manager of Sino Great Wall Guangxia (Wuhan)Medical Development Co., Ltd., since Decemer 2017, he has been the Chairman of Sino Great Wall Health Management (Jiangsu) Co., Ltd., and Director of Weifang Sino Great wall Health Development Co., Ltd., since March 2018, he has been the Chairman of Renhui Sino Great wall Wine Culture Development Co., Ltd., Since July 2017, he has been the Vice Chairman and Deputy General Manger of the Company.

Tian Wei, Male Chinese nationality, no overseas permanent residence, was born in April 1958,with bachelor's degree, is a professor-level senior engineer, having the first-class project manager qualification of construction enterprise by the Ministry of Construction. He is an arbitrator of China International Economic and Trade Arbitration Commission (Professional Roster of Construction Engineering and Real Estate), an engineering and equipment expert of China Council for the Promotion of International Trade (CICC) Mediation Committee, a member of Construction Industry Branch of China International Contractors Association, the vice-chairman of the Committee of Experts of Foreign

Investment of China International Engineering Consulting Association, an international engineering expert of the Committee of experts of China International Contractors Association, an expert of Project Management & Guidance Committee of China National Association of Engineering Consultants, a member of Academic Committee of China Association for International Economic Cooperation. He had served as the general manager of China Civil Engineering Construction Co.,Ltd (H.K.) , the Chairman of China Civil Engineering (Macao) Co., Ltd, Deputy General Manager of China Civil Engineering Group, Managing Member of China Society of Civil Engineering, a senior member of British Institute of Civil Engineering Surveyors, Secretary General of the Construction Industry Committee of the China Enterprise Association of Hong Kong, and the engineering bid evaluation expert of Beijing Construction Committee. From October 2009 to June 2011, he served as the Vice Chairman of Citic Construction Co., Ltd; from July 2011 to February 2016, he served as Director and Deputy General Manager of CITIC Yulian Investment Co., Ltd; from March 2016 to December 2016, he served as Director and General Manager of CITIC Yulian Investment Co., Ltd; from December 2016 to May 2017, he served as a member of the executive committee of CITIC Metal Group Co., Ltd; since July 2017, he has been the general manager of the Company; since March 2018, he has served as a director of the Company.

Wang Lei, Chinese nationality, no overseas permanent residence, male, born in March 1963, senior management MBA of School of economics and management of Tsinghua University, currently pursuing the finance EMBA of PBC School of Finance, senior engineer. He had Served as the general manager of Anshan Yongxin Engineering General Contracting Company, vice president of Chinese Enterprises Investment Company, director and general manager of Henan Shunyuan Aluminum Industry Co.,Ltd, director and vice chief-economist of Henan Coal Chemical Industry Group Co., Ltd. Since April 2013, he has been the chairman of Shanghai Heyi Supply Chain Management Co., Ltd.; since October 2015,

he has been the company's director.

Tang Jianxin, male, Chinese nationality, no overseas permanent residence, born in December 1965, Doctor, Professor, doctoral supervisor, registered auditor, Certified Public Valuer. He had served as the deputy director in Hainan Spring Auditor Firm, independent director of Wuhan Zhongnan Commercial Group Co., Ltd, independent director of Wuhan Sanzhen Industry Holding Co., Ltd. Since 1995, he has been teaching at Wuhan University. Currently, he is the professor and dean of accounting department of Wuhan University. From June 2008 to June 2014, he had been served as the independent director of Wuhan Zhongnan Commercial Group Co., Ltd.; from June 2009 to July 2015, he had been served as the independent director of Wuhan Sanzhen Industry Holding Co., Ltd; since August 2010, he has been the independent director of Shenzhen Hua Pengfei Modern Logistics Co., Ltd; since November 2011, he has been the independent director of Wuhan Zhongbai Group Co., Ltd.; since May 2013, he has been the independent director of Pingdingshan Tianan Coal Industry Co., Ltd; since October 2015, he has been the independent director of the company.

Zhang Yufeng, male, Chinese nationality, no overseas permanent residence, born in November 1963, Master's degree, EMBA of PBC School of Finance of Tsinghua University. He had served as the principal staff member of the discipline inspection team stationed in Ministry of health from the Commission for Discipline Inspection of the Central Committee of the CPC, Project Manager of China Hualian Real Estate Company, project manager of the Import and Export Department of China Construction Engineering Corporation, lawyer of Great Wall Law Firm of Department of Commerce. Currently, he is the director of Beijing Great Wall Law Firm;

he has been the independent director of Bank of Langfang, Dezhao Health Co., Ltd., and Henan Huihuang Technology Co., Ltd., since October 2015, He has been the Independent director of the Company.

Jiang Chongguang, male, Chinese nationality, no overseas permanent residence, born in January 1975, Doctor and Postdoctoral of Economics of Chinese Academy of Social Sciences, former senior management of Haier Group, had served as Executive Director of Singapore CKSP Group, and Vice President of China Pension International Health Alliance; currently, he is a MBA Tutor in Graduate School of Chinese Academy of Social Sciences, the executive director in Health China Strategic Research Center of Chinese Academy of Social Sciences, the Deputy Secretary General of China Insurance Society, the Executive Vice President of China Institute of Insurance Innovation, the Deputy Director of the Financial Technology Committee of the Asian Financial Association; an expert member of the Medical Summit of the Association for the Exchange of Nobel Prize Winners, a Chinese Financial Adviser to the High Technology Committee of the Israeli Knesset, and a Senior Economist of Ivy League Capital., Independent director of Dezhao Health Co., Ltd., since October 2015, he has been the independent director of the company.

Bai Bin, Chinese nationality, no overseas permanent residence, male, born in 1985, master of law, possesses vocational qualification of lawyer and law. He had successively served as the lawyer of Beijing Jingda Law Firm, investment manager, Investment Director, general manager of the asset management department and so forth posts of Kunwu Jiuding Investment Management Co., Ltd. Currently, he is the general manager of Jiuxin Asset Management Co., Ltd, director of Sino High-speed

Rail technology Co.,Ltd, director of Beijing UTS International Travel Service Co., Ltd, director of Sino Great Wall International Engineering Co., Ltd, director of Sichuan Dawei Science and Technology Co., Ltd and so on. Since October 2015, he has been the company's director.

2. Supervisors

Dong Binggen, male, born in July 1949, bachelor, senior engineer, graduated from East China Textile Engineering College in 1977. He had served as the vice president of Zhejiang Silk Industry Institute, general manager of China Garment General Corporation, chairman of China National Garment Association, and so on. Currently, he is the party secretary, chairman of the board and president of Union Development Group Co., Ltd; chairman of the board of Union Holdings Co., Ltd; since June 2002, he has been the chairman of the board of supervisors of the company.

Huang Shengde, male, born in January 1972; Hongkong Chinese; obtained the high Diploma of City University of Hongkong in architecture, bachelor (honorary degree) of University of South Australia in Architecture, MBA (financial) of the business school of The University of Manchester; he had served in the Hopewell Slip-form Engineering Co. Ltd, China Foundation Engineering Co. Ltd, Qian Tian Construction Co., Ltd, Hongkong Xing Sheng Construction Co. Ltd, Wu Teng (Hongkong) Co. Ltd, Beijing Xingrong Real Estate Development Co., Ltd, Yoma Strategic Holdings Co.,Ltd and Intecs Vantage Capitals Ltd; he had the management and professional qualifications, including the member of 2006-Hongkong Project Management Association, the member of 2006 Chinese Engineering Cost Association, the member of 2002 Hongkong Surveyors Association, the member of 2002 Royal Institution of Chartered Surveyors, the member of 2001 Australian Institute of Quantity Surveyors Association, the member of 2001-2004 British Cost Engineers Council and the member of 2001-2004

Australian Institute of architects. Currently, he is the vice general manager of Sino Great Wall International Engineering Co., Ltd mainly in charge of overseas business cooperation and business development; since October, 2015, he has been the company's supervisor.

Wu Xiaoming, male, Chinese nationality, no overseas permanent residence, born in November 1980, Bachelor in law, graduated from the law school of Guangdong Business College (now as Guangdong University of Finance & Economics) with major in law. He had served in Guangzhou Municipal Bureau of Quality and Technical Supervision Haizhu Branch (now as Guangzhou Haizhu District Bureau of Quality and Technical Supervision); since December 2008, he has been the assistant to general manager and Legal Department Manager of Sino Great Wall International Engineering Co., Ltd; since June 2014, he has been the chairman of the board of supervisors of Sino Great Wall International Engineering Co., Ltd; since October 2015, he has been the company's supervisor.

3. Senior management personnel

Please see detailed work experience of Mr. Tian Wei, Li Erlong and Liang Rong in the column of directors.

Wang Shaoijun, male, Chinese nationality, no overseas permanent residence, born in December 1956, is a professor-level senior engineer. From 2012 to 2014, he served as President of Guangdong Hisense Investment Co., Ltd, Director and General Manager of Guangdong Haifu Engineering Co., Ltd, and General Manager of Guangdong Haiyi Real Estate Development Co., Ltd; From 2014 to 2016, he served as Vice President of Guangdong Jinsui Group Co., Ltd. Since June 2017, he has been the President of Sino Great Wall International Engineering Co., Ltd; since July 2017, he has served as Deputy General

Manager of the Company.

Tang Xianyong, male, Chinese nationality, no permanent residency abroad, was born in April 1973, with PhD in accounting, and is a certified public accountant, and an associate professor. From August 2010 to December 2014, he served as the director and chief financial officer of Wuhan Jiangong Second Construction Co., Ltd; from January 2015 to May 2017, he served as general manager of Wuhan Jiangong Second Construction Co., Ltd; Since April 2015, He has served as Supervisor of Hubei Metian Biotechnology Co., Ltd; since August 2015, he has served as Secretary General of the Hubei Provincial Association of Chief Accountants; since November 2015, he has served as Chairman of Wuhan Rongerdao Investment Management Co., Ltd; since August 2017, he has served as Supervisor of Anyang Sino Great Wall Medical Management & Service Co., Ltd; since September 2017, he has served as a director of Sino Zhigu Industrial (Yueyang) Co., Ltd; since July 2017, he has served as Deputy General Manager and Chief financial officer of the Company.

Cui Hongli, female, Chinese nationality, no overseas permanent residence, born in January 1972, graduated from Henan University of Finance and Economics, CPA. She had been served in China Luoyang Float Glass Group Co.,Ltd, Beijing Jiayou Real Estate Development Group Co.,Ltd and Yuancheng Industrial Group Co.,Ltd. Since July 2011, she has been the investment and finance department manager, CFO of Sino Great Wall International Engineering Co., Ltd; From October 2015 to June 2017, she has been the company's CFO. Since July 2017, She has been the Deputy General Manger of the Company.

Peng Lizhi, male, Chinese nationality, no permanent residency abroad, was born in September 1968, MBA, is a first-class Construction Engineer of National Highway Engineering, and a professor-level senior engineer. From 1990 to 2002, he worked at the Second Engineering Office of the Second Highway Engineering Bureau of the Ministry of Communications. From 2003 to 2006, he served as chief engineer of Road & Bridge South China Engineering Co., Ltd; from 2006 to May 2016, he served as the chairman and general manager of Road & Bridge North China Engineering Co., Ltd; since June 2016, he has served as chairman and general manager of Sino Great Wall Infrastructure Investment Co., Ltd. Since December 2017, he has been the deputy general manager of the Company.

Yang Chunling, female, Chinese nationality, no overseas permanent residence, born in February 1971, Bachelor in economics, master in industrial engineering, accountant. She had served as employee in Sinotrans Henan Zhengzhou Logistic and Trading Company, Deputy Minister of the securities department of Aeolus Tyre Co., Ltd, vice general manager and secretary of the board of directors of Henan Yuhua New Material Co., Ltd. Since September 2015, she has been the director of Sino Cubic Investment Co., Ltd; since March 2014, she has been the secretary of the board of directors of Sino Great Wall International Engineering Co., Ltd; since October 2015, she has been the secretary of the board of directors of the company.

Office taking in shareholder companies

Applicable Not applicable

Offices taken in other organizations

Applicable Not applicable

Name	Name of other units	Position	Office term start	Office term	Whether

			from	ended	receiving remuneration from other units or not
Chen Lue	Sino Great Wall International Engineering Co., Ltd.	Board chairman	October 17,2001		No
Chen Lue	Beijing Sino Great Wall Decoration Design Co., Ltd.	Executive director	November 28,2007		No
Chen Lue	Sino Great Wall Investment (Beijing) Co., Ltd.	Executive director	April 22, 2014		No
Chen Lue	China Industry Investment Co., Ltd.	Board chairman	September 14,2015		No
Chen Lue	Shenzhen Shenzhou Dalue Investment Co.,Ltd.	Executive director	February 25,2015		No
Chen Lue	Sino Great Wall (Beijing) Investment Fund Management Co., Ltd.	Executive director, Manager	June 12,2016		No
Chen Lue	Zhongshang Sino Aerospace Technology (Beijing) Co., Ltd.	Board chairman	January 24,2017		No
Hu Yongfeng	Union Development Group Co., Ltd.	Vice president	October 23,2015	October 22,2018	Yes

Hu Yongfeng	Union Holding Co., Ltd.	Vice Board chairman	May 18,2016	May 17,2019	Yes
Hu Yongfeng	Tengbang International Business services Co., Ltd.	Director	December 7,2017	December 7,2020	Yes
Hu Yongfeng	Huafu Fashion Co., Ltd.	Independent director	December 27,2013	November 30,2018	Yes
Hu Yongfeng	Shezhen Zhongguan Chuangye Co., Ltd.	Board chairman , General Malager	July 31,2015		No
Li Erlong	Sino Great Wall International Engineering Co., Ltd.	General Malager	March 1,2005		No
Li Erlong	Sino Great Wall International Engineering Co., Ltd.	Director	June 1,2014		No
Li Erlong	Sino Great Wall International Engineering Co., Ltd.	Board chairman	June 29,2016		No
Li Erlong	Beijing Sino Great Wall Decoration Design Co., Ltd.	Manager	November 28,2007		No
Li Erlong	China Industry Investment Co., Ltd.	Director	September 14,2015		No

Li Erlong	Sino Great Wall Southwest Construction Engineering Co., Ltd.	Executive director	August 9,2016		Yes
Li Erlong	Sino Great Wall Jianye Construction Engineering Co., Ltd.	Board chairman	November 30,2016		No
Li Erlong	Sino Great Wall Development (Hengqin) Co., Ltd.	General manager	December 8,2016		No
Li Erlong	Sino Great Wall Southwest Engineering Design Co., Ltd.	Executive director, General manager	September 12,2017		No
Li Erlong	Sino Great Wall Southwest Commercial trade Co., Ltd.	Executive director, General manager	September 12,2017		No
Li Erlong	Sino Great Wall Southwest Technology Co.,Ltd.	Executive director, General manager	September 12,2017		No
Li Erlong	Sino Great Wall Hebei Xiongan Engineering Co., Ltd.	Executive director	February 24,2018		No
Liang	Sino Great Wall International	Director	June 1,2014		No

Rong	Engineering Co., Ltd.				
Liang	Sino Great Wall International	Director	November		No
Rong	Engineering(Macao) Co., Ltd.		17,2014		
Liang	Sino Great Wall Group Co., Ltd.	Board	August 30,2017		No
Rong		chairman			
Liang	Kunming Shenzhou Shengong Forestry	Board	September		No
Rong	Industry Development Co., Ltd.	chairman	29,2017		
Liang	Sino Great Wall	General	October 17,2017		No
Rong	Guangxia(Wuhan)Medical Development Co., Ltd.	Manger			
Liang	Sino Great Wall Health Management	Board	December		No
Rong	(Jiangsu)Co., Ltd.	chairman	25,2017		
Liang	Weifang Sino Great Wall Health	Director	December		No
Rong	Development Co., Ltd.		25,2017		
Liang	Renhuai Sino Great Wall Wine Culture	Board	March 12,2018		No
Rong	Development Co., Ltd.	chairman			
Wang Lei	Qinghai Heyi Mining Co., Ltd.(Re-name:Qinghai Heyi Industry Development Co., Ltd.)	Board chairman	September 1,2008		No
Wang Lei	Shanghai Heyi Supply chain	Executive	April 1,2013		Yes

	ManagementCo., Ltd.	director			
Tang Jianxin	Wuhan University	Professor ofAccounting Department , Economics and Management School	December 1,2004		Yes
Tang Jianxin	Pingdingshan Tianan Coal Co., Ltd.	Independent director	May 17,2013		Yes
Tang Jianxin	Yicang Dongyangguang Changjiang Medicine Co., Ltd.	Independent director	October 1,2015		Yes
Zhang Yufeng	Beijing Great Wall Law Firm	Director			Yes
Zhang Yufeng	Langfang Bank	Independent director	May 1,2013		Yes
Zhang Yufeng	Dezhan Health Co., Ltd.	Independent director	October 25,2016		Yes
Zhang Yufeng	Henan Huihuang Technology Co., Ltd.	Independent director	February 9,2017		Yes
Jiang	Dezhan Health Co., Ltd.	Independent	October 25,2016	October 25,2021	Yes

Chonggu ang		director			
Jiang Chonggu ang	Graduate School of Chinese Academy of Social Sciences	MBA Tutor	September 1,2013	September 1,2018	Yes
Jiang Chonggu ang	Centre of Health China Strategy Research of Chinese Academy of Social sciences	Executive director	May 1,2015	May 1,2025	Yes
Jiang Chonggu ang	Nobel Laureates Medical Exchange Association	Medical Summit Expert Committee	January 8,2015	January 8,2020	No
Jiang Chonggu ang	High tech Committee of the Israeli parliament to exchange association	Lifelong Financial advisor	March 1,2014		No
Jiang Chonggu ang	China Insurance Association	Deputy Secretary	April 15,2014	April 15,2024	No
Jiang Chonggu ang	Ivy Capital	Chief Economist , Director	June 1,2015	June 1,2025	Yes
Jiang	China Insurance Association	Deputy	June 15,2016	June 15,2021	Yes

Chongguang		Secretary			
Jiang Chongguang	China Insurance Innovation Research Institute	Vice President	April 25,2016	April 25,2026	Yes
Jiang Chongguang	Special Committee on Financial Technology of the Asian Financial Association	Deputy director	February 1,2018	March 1,2023	No
Bai Bin	Jiuxin Assets Management Co., Ltd.	General Manger	September 9,2015	September 8,2018	Yes
Dong Binggen	Union Development Group Co., Ltd.	Secretary of Party committee, chairman of board of directors and President	June 1,2001		Yes
Dong Binggen	Union Holdings Co., Ltd.	Board chairman	June 1,2004		Yes
Huang Shengde	Sino Great Wall International Engineering Co., Ltd.	Deputy General	January 1,2015		Yes

		Manager			
Huang Shengde	Sino Great Wall International Engineering Co., Ltd. Burma Branch	Board chairman	January 1,2017		Yes
Huang Shengde	Sino Great Wall International Engineering Co., Ltd. Thailand Branch	Board chairman	March 1,2017		Yes
Wu Xiaoming	Sino Great Wall International Engineering Co., Ltd.	Assistant General Manager, Manager of Law Dept.	December 1,2008		Yes
Wu Xiaoming	Sino Great Wall International Engineering Co., Ltd.	Chairman of the supervisory committee	June 1,2014		Yes
Wang Shaojun	Assistant General Manager, Manager of Law Dept.	President	June 1,2017		Yes
Tang Xianyong	Chairman of the supervisory committee	Supervisor	August 21,2017		No
Tang Xianyong	Sino Zhigu Industry(Yueyang) Co., Ltd.	Director	September 29,2017		No
Tang Xianyong	Hubei Meitian Biological Co., Ltd.	Supervisor	April 17,2015		No

Tantg Xianyong	Wuhan Rongerdao Investment Management Co., Ltd.	Board chairman	November 1,2015		No
Peng Lizhi	Sino Great Wall Infrastructure investment Co., Ltd.	Board chairman,Ge neral Manager	June 1,2016		No
Yang Chunling	Sino Great Wall International Engineering Co., Ltd.	Board secretary	March 1,2014		No
Yang Chunling	China Industry Investment Co.,Ltd.	Director	September 1,2015		No

Punishments to the current and leaving board directors, supervisors and senior managers during the report period by securities regulators in the recent three years

Applicable Not applicable

IV. Remuneration to directors, supervisors and senior executives

Decision-making procedures, basis for determination and actual payment of the remuneration to directors , supervisors and senior executives

The remuneration appraisal committee of the board of directors of the Company proposed remuneration standards according to the responsibilities, work scope and importance of directors, supervisors and senior executives, the earnings of the Company for the current year and the remuneration level of relevant post and submitted it to the board of directors for approval. After approval,

the remuneration was paid on monthly basis. The remuneration of independent directors is subject to approval by the shareholders' meeting.

Remuneration to directors, supervisors and senior executives in the reporting period

In RMB'0000

Name	Positions	Sex	Age	Office status	Total remuneration received from the shareholder	Remuneration actually received at the end of the reporting period
Chen Lue	Board Chairman	Male	47	In office	36.6	No
Hu Yongfeng	Director	Male	55	In Office	0	Yes
Li Erlong	Vice Board Chairman, Deputy General Manager	Male	42	In office	46.46	No
Liang Rong	Vice Board Chairman, Deputy General Manger	Male	48	In Office	41.85	No
Wang Lei	Director	Male	54	In Office	0	Yes
Bai Bin	Director	Male	32	Dimission	0	Yes

Tang Jianxin	Independent director	Male	52	In office	11	Yes
Zhang Yufeng	Independent director	Male	54	In Office	11	Yes
Jiang Chongguang	Independent director	Male	42	In office	11	Yes
Dong Binggen	Chairman of the supervisory committee	Male	68	In Office	0	Yes
Huang Shengde	Supervisor	Male	46	In office	6.6	No
Wu Xiaoming	Supervisor	Male	37	In Office	13.95	No
Tian Wei	General Manger	Male	59	In office	12.75	No
Wang Shaojun	Deputy General Manger	Male	61	In Office	34.26	No
Tang Xianyong	Deputy General Manager, CFO	Male	44	In office	22.67	No
Cui Hongli	Deputy General Manger	Female	45	In Office	36.05	No
Peng Lizhi	Deputy General	Male	49	In office	22.8	No

	Manger					
Yang Chunling	Secretary to the board of directors	Female	46	In Office	22.08	No
Total	--	--	--	--	329.06	--

Incentive equity to directors, supervisors or/and senior executives in the reporting period

Applicable Not applicable

V. Particulars about employees.

1.Number of staff, professional structure and educational background

Number of in-service staff of the parent company(person)	23
Number of in-service staff of the main subsidiaries(person)	2,852
The total number of the in-service staff(person)	2,875
The total number of staff receiving remuneration in the current period(person)	2,875
Retired staff with charges paid by the parent company and main subsidiaries (person)	9
Professional	
Classified according by Professions	Number of persons (person)
Production	100

Sales	84
Technical	2,155
Financial	111
Administrative	263
Other	162
Total	2,875
Education	
Classified according by Professions	Number of persons (person)
Master' s Degree and bove	84
Bachelor	1271
College diploma	832
Other	688
Total	2,875

2. Remuneration policies

Based on the principle of “external fairness and internal fairness”, the Company combines the company’s overall strategic plan to provide competitive remuneration and benefits in the industry. Different post has different remuneration, and the remuneration will be raised upon the excellent performance, and the staff remuneration level will be determined according to the job responsibilities,

3. Training plan

The company aims to build an echelon-type talent selection and training system, establish a reserve talent team, develop key personnel selection and training plans for successors and reserve talents, discover talents and cultivate future talents and set up the Company's talent map, thus to provide sustainable human resources support for the Company; The Company selects and trains excellent internal trainers, engages external senior trainers, combines the training needs of employees, integrates, summarizes and extracts professional and managerial expertise, develops excellent courses, and carries out the professional on-the-job training; by constructing a learning type organization, the company commits to create a training system covering the life cycle of career development of employees, and according to the job-type and rank of staff, the company customizes the exclusive learning map combing with the on-line and offline multi platforms; by adhering to the creative combination of mobilization, gamification, and contextualized mixed training with the "1+1" mentoring system (A professional tutor + a career tutor), the Company carries out series of training projects, promotes the application of learning results, promotes the performance improvement and organization changes, improves employees' professional knowledge and skills, and meanwhile enhancing the "group intelligence" and the continuous innovation ability of a learning organization for the overall operation.

4. Outsourcing situation

Applicable Not Applicable

IX. Administrative structure

I. Basic state of corporate governance

The company's governance meets the requirements of regular documents on the governance of the listed companies issued by China Securities Regulatory Commission.

During the reporting period, The company has strictly abided by the relevant laws, rules and regulations requested on "Corporate Law", "Securities Law", "Listing Rules of Shenzhen Stock Exchange" and "Governance Rules of Listed Companies" and by China Securities Regulatory Commission, established and perfected the internal control management system, and constantly made the deep improvement of the corporate governance activities to further standardize the company operations and improve the management level. The company's governance meets the basic requirements of regular documents on the governance of the listed companies issued by China Securities Regulatory Commission.

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

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

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

affiliated transactions and other issues.

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

(5) The Company and The Affiliated Party: the affiliated transactions between the company and the affiliated party are strictly managed and the audit of the affiliated transactions is performed in accordance with the relevant procedures. Also, the affiliated transactions are in compliance with the laws and regulations, and there not exist the issues that the major shareholders make use of the affiliated transactions to occupy the funds of the listed company.

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

In the report period, The Company further increased information transparency and properly carried out publicity work for protection of investors. It timely answered the questions of investors and communicated with medium and small investors by making use of telephone, email, especially the platform for communication with investors set up by Shenzhen Stock Exchange to let them know itself better.

Does there exist any difference in compliance with the corporate governance , the PRC Company Law and the relevant provisions of CSRC,

Yes No

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

II. Independence and Completeness in business, personnel , assets, organization and finance

The company is completely separate with the controlling shareholder in terms of the business, personnel,

assets, organizations, finance and other aspects, possessing independent and complete business and independent operating capacity.

1.Business : The Company has complete business and the ability of independent operation. It is completely independent from its controlling shareholder in respect of business. There is no unfair related transaction or horizontal competition between the company and the controlling shareholders or its affiliated enterprises.

2.Personnel : The company has a completely independent personnel management and salary system. The company's senior manager personnel all are work in the company and receiving remunerations, and they do not hold any other posts except the post of director or receive remunerations in the controlling shareholder and its affiliated enterprises. The company's financial staffs do not concurrently hold posts in the controlling shareholder and its affiliated enterprises.

3.Assets : The company possesses independent place of business, independent land use rights, ownership of buildings and so forth assets, possesses the production system related to the production and operation, legally possesses the equipments related to production and operation and has Independent purchase, sales system and supporting facilities.

4.Organization : The company established a sound internal operation management organization, independently exercising the operation and management rights, and there is no situation of confounding organization with the controlling shareholder and its affiliated enterprises.

5.Finance:The company has a standardized financial accounting system, with an independent financial accounting department, full-time accounting personnel and independent accounting system, being able to make financial decisions independently. The company has set up the independent bank account and independently pays the tax. The situation of the free-occupying of the company's assets and funds by the controlling shareholder and its affiliated enterprises does not exist.

III. Horizontal Competitions

Applicable√Not applicable

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

1. Annual General Meeting

Sessions	Type	Investor participation ratio	Meeting Date	Disclosure date	Disclosure index
Annual General Meeting of 2016	Annual General Meeting	39.58%	May 19,2017	May 20,2017	Annual General Meeting of 2016 (No.2017-042) published on Juchao Website (http://www.cninfo.com.cn) on May 20,2017

The first provisional shareholders' General meeting in 2017	Provisional shareholders' General Meeting	35.15%	July 24,2017	July 25,2017	The first provisional shareholders' General meeting in 2017 (No.2017-063) published on Juchao Website (http://www.cninfo.com.cn) on July 25,2017.
The Second provisional shareholders' General meeting in 2017	Provisional shareholders' General Meeting	34.70%	December 22,2017	December 23,2017	The Second provisional shareholders' General meeting in 2017 (No.2017-107) published on Juchao Website (http://www.cninfo.com.cn) on December 23,2017

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

Applicable Not applicable

V. Responsibility performance of independent directors in report period

1. The attending of independent directors to board meetings and shareholders' general meeting

The attending of independent directors							
Independent Directors	Number of Board meetings necessary to be attended in the reporting period	Number of spot attendances	Number of meetings attended by Communication	Number of attendances by representative	Number of absence	Failure to personally attend board meetings successively twice (Yes/No)	Number of attendance at general meetings of shareholders
Tang Jianxin	12	2	10	0	0	No	1
Zhang Yufeng	12	3	9	0	0	No	0
Jiang Chongguang	12	3	9	0	0	No	1

Notes to failure to personally attend Board Meetings Successively Twice

2.Objection of independent directors on some relevant issues

Objection of independent directors on some relevant issues

Yes No

Nil

3. Other notes to duty performance of independent directors

Has an independent director's advice to the Company been accepted

Yes No

Explanation on acceptance of or failure to accept an independent director's advice to the Company.

During the reporting period, The independent directors of the Company put forward a lot of professional opinions on the laws and regulations and the Articles of Association of the Company, and paid attention to the operation of the Company, performed their duties independently, formulated the system of the Company and the day-to-day business decision-making of the Company. Independent directors issued an opinion on the issue of independent and impartial opinions, in order to improve the company's supervision mechanism, safeguard the legitimate rights and interests of the company and all shareholders play a due role.

VI. Duty Performance of Special Committees under the Board of Directors in the Reporting Period

The board of directors of the Company has special committees including audit committee, remuneration and appraisal committee, strategy committee and nomination committee. According to the scope of authority specified in the working rules for them, the committees conducted study and put forward opinions and suggestions for reference by the board of directors for decision making.

Information about fulfillment of the audit Committee of the Board of Directors during 2017

1. On January 23, 2017, the audit committee of the board of directors reviewed the company's financial accounting statement 2016 and published the following opinions: the financial accounting statement 2016 prepared by the company basically reflected its financial standing and operating results, and audit committee agreed to engage in the yearly financial statement auditing work on this basis, requested the financial department to provide active cooperation in assisting with this audit, strengthen communication and contact, and timely reflect the problems and audit work progress to audit committee.

2. On April 26, 2017, the audit committee of the board of directors reviewed the audit report 2016 issued by BDO China Shu Lun Pan Certified Public Accountants LLP. The audit committee agreed on the audit, agreed to submit the financial audit report to the board of directors for deliberation; meanwhile, to ensure the consistency of audit work, the audit committee suggested that the board of directors continue to appoint audit report 2016 issued by Shu Lun Pan Certified Public Accountants LLP as the audit institution for the year 2017.

3. On April 26, 2017, the Audit Committee of the Board of Directors reviewed the relevant contents of the company's provision for impairment of assets for 2016 and formed the following resolution: The

company's provision for impairment of assets complied with the Accounting Standards for Business Enterprises and the regulations of the related accounting policy of the company, the provision for impairment of assets was based on the principle of prudence with sufficient basis, and it's in line with the status of the company's assets, which was conducive to more fairly reflect the company's financial situation, assets value and operating results as of December 31, 2016, making the company's accounting information more reasonable

4. On April 27, 2017, the Audit Committee of the board of directors deliberated the company's First quarter 2017 financial accounting statements, and issued the following deliberations: the First quarter 2017 financial accounting statements compiled by the company basically reflected the situation of the company's assets and the operation results, and the Audit Committee of the board of directors agreed to submit the financial accounting statements to the board of directors for deliberation.

5. On July 5, 2017, the Audit Committee of the Board of Directors reviewed the qualifications of Ms. Xian Zhijuan-the candidate for the general manager of the company's audit department, and agreed to nominate Ms. Xian Zhijuan as the general manager of the company's audit department.

6. On August 9, 2017, the Audit Committee of the board of directors deliberated the company's Semi-annual Report 2017 financial accounting statements, and issued the following deliberations: the semi-annual report 2017 financial accounting statements compiled by the company basically reflected the situation of the company's assets and the operation results, and the Audit Committee of the board of directors agreed to submit the financial accounting statements to the board of directors for deliberation.

7. On October 25, 2017, the Audit Committee of the board of directors deliberated the company's third quarter 2017 financial accounting statements, and issued the following deliberations: the Third quarter 2017 financial accounting statements compiled by the company basically reflected the situation of the company's assets and the operation results, and the Audit Committee of the board of directors agreed to submit the financial accounting statements to the board of directors for deliberation.

The information about the duty performance of the remuneration and appraisal committee of the board of directors in year 2017:

1. On April 26, 2017, according to the provisions stipulated by Rules of Procedure for the Special Committee of the Board, the remuneration and appraisal committee of the board had deliberated the remunerations of the company's directors, supervisors and senior management personnel of year 2016 and reckoned that remunerations paid to the company's directors, supervisors and senior management personnel were fair, reasonable and conforming to the relevant company's the remuneration policy and the appraisal standard, then agreed to submitted the item to the board of directors for deliberation.

Job performance condition of strategic committee of the board of directors in the year of 2017:

1. On February, The Strategy Committee of the Board of Directors reviewed the proposal to adjust the company's non-public offering of stocks and issued the following deliberations: The adjustment of the non-public offering of shares to the company was in line with the actual conditions of the company and the conditions of the capital market, and agreed to submit the proposal to the board of directors for

consideration. .

Information about fulfillment of the Nomination Committee of the Board of Directors during 2017

1. On July 5, 2017, the Nomination Committee of the Board of Directors reviewed the qualifications of the senior management candidates for the company that are Mr. Tian Wei, Mr. Wang Shaojun, Mr. Tang Xianyong, Ms. Cui Hongli and Ms. Xian Zhijuan, and considered that the above-mentioned personnel have the appropriate qualifications and professional qualities for the exercise of the functions and powers of the corresponding job, thus agreed to nominate the above-mentioned personnel to serve as the company's senior management, and that's submitted to the company's board of directors for deliberation.

2. On December 4, 2017, the Nomination Committee of the Board of Directors reviewed the qualifications of Mr. Peng Lizhi-the candidate for the company's deputy general manager, and considered that Mr. Peng Lizhi has the qualifications and professional qualities for the exercise of the functions and powers of the corresponding job, and agreed to submit the matter of nominating Mr. Peng Lizhi as the deputy general manager of the company to the company's board of directors for deliberation.

VII. Work of the supervisory Committee

Did the supervisory Committee find any risk existing in performing the supervision activities in the reporting period

Yes No

The supervisory Committee has no objection against any matters under supervision in the reporting period

VIII. Assessment and incentive Mechanism for Senior executives

The company established the evaluation system based on the targeted responsibility system, and adopted signing the annual responsibility appraisal agreement for the evaluation of the company's senior management personnel which specified the KPI and evaluation method with methods related to the evaluation results. During the reporting period, the company's had conformed to the measures of the targeted responsibility system to assess and evaluate the senior management personnel performances, which presented in the annual performance.

IX. Internal control situations

1. Specific situations on major defects of internal control discovered during report period

Yes No

2. Self-evaluation report on internal control

Disclosure date of appraisal report on	April 25, 2018
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internal control		
Disclosure index of appraisal report on internal control	Juchao Website: (http://www.cninfo.com.cn) , Selfevaluation report of internal control in 2017 on April 25,2018.	
Proportion of total unit assets covered by appraisal in the total assets of the consolidated financial statements of the company	100.00%	
Proportion of total unit incomes covered by appraisal in the total business incomes of the consolidated financial statements of the company	100.00%	
Standards of Defects Evaluation		
Category	Financial Report	Non-financial Report
Standard	<p>Material Defect:</p> <ol style="list-style-type: none"> 1.Fraud of directors, supervisors and senior management; 2.Material errors appear in the Company's financial report published; 3. The certified public auditor finds material wrong reporting in the current financial statement, while the Company has not found such reporting during its operation; 4.The audit committee and audit department of the Company exercise invalid supervision upon internal control; 5.The result of internal control assessment hasn't been rectified, especially the material or major defects; 6.Importance business is lack of system control or the system loses its validity. <p>Major Defects:1.No recognized accounting standards were followed when choosing and applying the accounting policies;.</p> <ol style="list-style-type: none"> 2.No anti-fraud program and control measures were established; 3.No corresponding control mechanism was established or implemented for treating the abnormal or special accounting, and it is lack of compensating control; 4.One 	<p>Material Defect:</p> <ol style="list-style-type: none"> 1.Violation of national laws or regulations, normative documents and significant decision making lacking of scientificity and system may lead to invalid system, no rectification for material or major defect or other situations that materially affect the Company; 2.Violation of regulations led to punishment from government department or regulatory authority. Violation of management system or internal control procedure led to major business disputes. Ranges of material litigation led to great losses; 3.The working initiatives of staffs was damaged at a great level, and the working efficiency was substantially decreased, which exerted major adverse effects on the culture and cohesion of the enterprise, and led to serious turnover of core teams; 4.Negative news spreads in the whole business scope(including the extension to industry chain), or is concerned by national medias or public ones, which will substantially damage the

	or more frauds appeared during the financial report process, and which couldn't reasonably guarantee that the formulated financial report would reach the goals of being actual and accurate. General Defect: Other defects besides material defect and major defect.	enterprise's reputation, and the negative effects can't be eliminated all the time; 5. The Company involved punishment from CSRC and involved warnings from stock exchange.
Standards of Quantitation	(1) Material Defect: amount with wrong reporting $\geq 10\%$ of total profit amount; amount with wrong reporting $\geq 10\%$ of operating income; amount with wrong reporting $\geq 10\%$ of total asset; amount with wrong reporting $\geq 10\%$ of net assets; (2) Major Defect: 5% of total profit amount \leq amount with wrong reporting $< 10\%$ of total profit amount; 5% of operating income \leq amount with wrong reporting $< 10\%$ of operating income; 5% of total asset \leq amount with wrong reporting $< 10\%$ of total asset; 5% of net assets \leq amount with wrong reporting $< 10\%$ of net assets; (3) General Defect: amount with wrong reporting $< 5\%$ of operating income. amount with wrong reporting $< 5\%$ of total asset; amount with wrong reporting $< 5\%$ of net assets.	Material Defect: Due to the internal control defect of non-financial report, it may exert impacts of over RMB 10 million (including RMB 10 million) on the total profit amount. Major Defect: Due to the internal control defect of non-financial report, it may exert impacts of over RMB 5 million (including 5 million but less than 10 million) on the total profit amount. General Defect: Due to the internal control defect of non-financial report, it may exert impacts of below RMB 5 million.
Number of major defects in financial reporting (a)		1
Number of major defects in non financial reporting (a)		1
Number of important defects in financial reporting (a)		0
Number of important defects in non financial reporting (a)		0

X. Internal Control audit report

Applicable Not applicable

Review opinions in the internal control audit report
Pursuant to the requirements of the "Guidelines for Internal Control Audit of Enterprises" and the Standards for the Chinese Certified Public Accountants, BDO Certified Public Accountants (LLP) audited the effectiveness of the internal control to the company's financial report with report date as of December 31, 2017, and issued XKSBZ "Internal Control

Audit Report”, and expressed the following opinion: BDO considered that Sino Great Wall Co., Ltd maintained the effective internal control over financial reporting as of December 31, 2017 in all major aspects in accordance with the "Basic Standards for Corporate Internal Control" and the related regulations.	
Disclosure date of audit report of internal control (full-text)	Disclosure
Index of audit report of internal control (full-text)	April 24,2018
Internal audit report's opinion	Juchao Website: (http://www.cninfo.com.cn) ; Audit report of internal control on April 24, 2018
Type of audit report on internal control	Unqualified auditor's report
Whether there is significant defect in non-financial report	No

Has the CPAs issued a qualified auditor's report of internal control .

Yes No

Does the internal control audit report issued by the CPAs agree with the self-assessment report of the Board of Directors

Yes No

X. 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

XII. Documents Available for Inspection

1. Accounting statements carried with personal signatures and seals of legal representative, Chief Financial officer and Financial Principal.
2. Original of Auditors' Report carried with the seal of Certified Public Accountants as well as personal signatures of certified Public accountants.
3. The originals of all the Company's announcements and documents disclosed to the public during the Reporting Period on Securities Times, Hong Kong Commercial Daily and Juchao Website(<http://www.cninfo.com.cn>)in the report period.

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