



Sino Great Wall Co., Ltd.
The Semi-annual Report 2018

August 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 semi-annual report.

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

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

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Definition

Terms to be defined	Refers to	Definition
Company Law	Refers to	Company Law of the People's Republic of China
Securities Law	Refers to	Securities Law of the People's Republic of China
“CSRC”	Refers to	China Securities Regulatory Commission
Company, The Company, Sino Great Wall	Refers to	Sino Great Wall Co., Ltd.
Sino International	Refers to	Sino Great Wall International Engineering Co., Ltd.
SZSE	Refers to	Shenzhen Stock Exchange
Reporting period	Refers to	January 1, 2018 to June 30, 2018
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. Corporate Profile and Key Financial Indicators

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		

II. Contact person and contact manner

	Board secretary	Securities affairs Representative
Name	Yang Chunling	
Contact address	Sino Great Wall Building, No.3 Jinxiu Street, Economic Technology Development Zone, Beijing	
Tel	010-89045855	
Fax	010-89045856	
E-mail	1208806865@qq.com	

III. Other information

(1) Way to contact the Company

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

Applicable Not Applicable

The registered address, office address and their postal codes, website address and email address of the Company did not change during the reporting period. The said information can be found in the 2017 Annual Report.

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

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

Applicable Not applicable

The newspapers designated by the Company for information disclosure, the website designated by CSRC for disclosing this report and the location where this report is placed did not change during the reporting period. The

said information can be found in the 2017 Annual Report.

IV. Summary of Accounting Data and Financial Indicators

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

Yes No

	Reporting period	Same period of last year	YoY+/- (%)
Operating income (RMB)	1,586,971,575.24	3,025,082,356.80	-47.54%
Net profit attributable to the shareholders of the listed company (RMB)	143,999,455.72	268,606,450.03	-46.39%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	-33,506,685.35	264,902,836.16	-112.65%
Cash flow generated by business operation, net (RMB)	1,098,164,365.63	-535,997,580.19	304.88%
Basic earning per share(RMB/Share)	0.0848	0.16	-47.00%
Diluted gains per share(RMB/Share)(RMB/Share)	0.0848	0.16	-47.00%
Weighted average ROE(%)	-6.61%	14.39%	-7.78%
	As at the end of the reporting period	As at the end of last year	YoY+/- (%)
Gross assets (RMB)	11,025,565,646.45	11,667,845,186.30	-5.50%
Shareholders' equity attributable to shareholders of the listed company (RMB)	2,205,590,520.66	2,151,482,467.52	2.51%

V. 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

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

In RMB

Items	Amount	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-570,793.76	
Income from the exceeding part between investment cost of the Company paid for obtaining subsidiaries, associates and joint-ventures and recognizable net assets fair value attributable to the Company when acquiring the investment	70,486,755.72	Mainly due to the acquisition of Baden-Baden Hospital evaluation value-added
Net amount of non-operating income and expense except the aforesaid items	108,668,232.63	Mainly due to the land compensation paid by Union Holdings
Less: Amount of influence of income tax	1,078,053.52	
Total	177,506,141.07	--

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

Within the report period, the core business of the company is engineering construction and investment and management in medical treatment and health industry. The engineering construction mainly includes the international engineering general contracting (EPC) and domestic PPP business. The investment and management in medical treatment and health industry mainly comprises the medical treatment operation management for hospitals in the industry through several ways including acquisition of existing hospitals, construction of new hospitals, as well as building and investing the PPP projects for hospitals, etc.

At present, the company's business covers the house building, roads and bridges, power and chemical industry as well as medical treatment and health, etc., which has extended to 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 general contracting or several phases of contracting in design, purchase, construction and trial operation of construction project through integrating the high-quality resources at home and abroad. For the domestic engineering construction, the company mainly adopts PPP model, namely the project operation model through cooperation of the government and social capital. Under such model, the government will select the social capital with the investment and operation management capacity through competitive ways, and both parties shall enter into the contract through consultation on the basis of equality, under which public services will be provided through social capital and the government shall pay the consideration against the social capital based on the public service performance assessment result.

Currently, the company's construction qualifications include: first-class qualification as general contractor of housing & construction engineering project, first-class qualification as specialized contractor of architectural decoration engineering design and construction, first-class qualification as specialized contractor of building curtain wall engineering, first-class qualification as specialized contractor of ground foundation engineering, first-class qualification as specialized contractor of firefighting facilities engineering, first-class qualification as specialized contractor of waterproof anti-corrosion insulation engineering, second-class qualification as general contractor of mechanical and electrical engineering construction, second-class qualification as specialized contractor of bridge construction, second-class qualification as general contractor of petrochemical engineering construction, second-class qualification as general contractor of municipal public engineering construction, second-class qualification as specialized contractor of tunnel construction, second-class qualification as specialized contractor of fabrication and installation of hydraulic metal structure, second-class qualification as general contractor of water conservancy and hydropower project construction, third-class qualification as general contractor of railway engineering construction, second-class qualification as general contractor of metallurgical engineering construction, qualification regardless of grades as specialized contractor of special engineering, third-class qualification as specialized contractor of highway pavement engineering, third-class qualification as specialized contractor of highway subgrade engineering, etc. The scope covers the engineering qualifications of building, highway, railway, municipal utilities, water conservancy and hydropower, petrochemical, electric power and other types of engineering. Among these qualifications, class A qualification for design of architectural decoration engineering will expire on December 18, 2018, and the company is preparing for extension application, as it is qualified for the application.

In overseas market, after many years of development, the company's ability to adapt to overseas standards and localized project management capability has been continuously improved through years of talent cultivation and technology accumulation. 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.

As of the end of the reporting period, the company has won more than 40 billion yuan of unfilled orders at home and abroad, with good development prospect, thus providing excellent support for the company's future performance in the project.

II. Major Changes in Main Assets

1. Major Changes in Main Assets

Main assets	Major changes
Equity assets	Has not changed much
Fixed assets	Mainly due to the merger of Acura Kliniken Baden-Baden GmbH
Intangible assets	Mainly due to the merger of Acura Kliniken Baden-Baden GmbH
Construction in process	Mainly due to the completion of overseas equipment installation

2. Main Conditions of Overseas Assets

Applicable Not applicable

Specific content of the asset	Cause of formation	Asset size	location	Operational mode	Control measures to ensure asset security	Income status	The proportion of overseas assets to the company's net assets	Is there a significant risk of impairment?
Baden-Baden Hospital	Purchase	Total assets as of June 30, 2018 is 51,055,379.01yuan	Germany	Proprietary	Achieve actual control through the hiring of senior executives	Net profit for January-June 2018 is 2,331,129.11yuan	2.2%	No

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

As a leading construction contractor for comprehensive engineering services, Sino Great Wall Co., Ltd. has leading integrated contracting capability in EPC, BT, BOT and PPP projects and other large projects. Under the Belt and Road Initiative, the company has had a good opportunity for overseas business development. With the continuous promotion of PPP project throughout the country, the company is faced with a good opportunity for its domestic business development. In addition, the company's comprehensive strength, overseas influence and market competitiveness have been improved 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 2016, 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, Hubei and Guizhou, 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 company's core management personnel have more than ten years of experience in building construction. With a deep understanding of the industry, the company has established a sound system integrating material procurement, labor management and quality control. In the procurement, through comprehensive price comparison, bidding and procurement, the supplier is screened to manage material procurement cost of project within the controllable range at the early stage of the project. By locking the technical requirements and time requirements of the project, the company can lock the labor costs. The company has set up strict quality-control system for the design drawing, raw material procurement and each aspect of the project construction management, thus to strictly ensure the project construction quality, so the company has won good reputation and got trust and recognition by a great number of customers.

5. Talent advantage

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

IV. Performance Discussion and Analysis

I. General

In the first half of 2018, the company has continued to adhere to the values of “integrity, professionalism, perfection and honor”, paying close attention to the policies and related developments of “the Belt and Road Initiative”, PPP business and construction medical industry, in order to adapt to the economic development situation by actively expanding overseas project contracting and investment business brought by “the Belt and Road Initiative” and increasing the investment and construction of PPP projects in medical industry and infrastructure, which has achieved good results.

In terms of engineering construction, the company has achieved relatively sound and rapid development at home and abroad. In terms of overseas business, the company has signed important construction contracts with a number of countries and regions in Southeast Asia, winning the bids for development project of Dongphosy Special Economic Zone in Vientiane, Laos and Mekong Villa project in Cambodian, which helps the company expand the types and scope of domestic and international project contracting business and enhance the company’s competitive advantage and overall profitability in order to become a “provider for integrated solution in building construction”. The company’s domestic business covers various fields such as medical treatment, municipal construction, transportation and infrastructure. For example, the company has won the PPP project of ecological water system and road network for new district in Yanjin County. As of the end of June 2018, the company has obtained domestic and international orders exceeding 40 billion yuan, ensuring a steady growth in the company’s operating performance in the next few years.

In the investment and management in the medical and health industry, the company has acquired 100% of equity of Acura Kliniken Baden-Baden GmbH, Germany for 14.1 million euros. The Acura Kliniken Baden-Baden GmbH is a long-established specialized hospital in Germany with a high reputation in medical rehabilitation. The acquired hospital is used to introduce senior medical talents, technology and management experience owned by Germany, and integrate Chinese and foreign resources to achieve the company’s development in the field of medical rehabilitation.

In other respects, in order to actively grasp the important historical opportunity and business chance to build Xiong’an New District into a city of “green wisdom” and “Xiong’an quality” proposed by the Party Central Committee, the company’s wholly-owned subsidiary Sino Great Wall International invested RMB 100 million to establish a wholly-owned subsidiary, Sino Great Wall Hebei Xiong’an Engineering Co., Ltd., in Xiong’an New District, and Xiong’an Engineering officially obtained a business license on February 24, 2018. In order to carry out business effectively in Xiong’an New District, the company leased its office in Xiong’an New District and planned to arrange the subsidiaries with relevant construction qualifications to merge with Xiong’an Company, so that Xiong’an Company quickly obtained construction qualification to smoothly obtain orders.

In January-June 2018, the company realized operation income of 1,586,971,575.24 yuan, an decrease of 47.54% from the last year; and the net profit attributable to the parent company was 143,999,455.72 yuan, an decrease of 46.39% from the last year. The decrease in the above data was Mainly due to the country's credit tightening, the funding is tight and the project is progressing slowly.

II. Main business analysis

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

Changes in the financial data

In RMB

	Reporting period	Same period of last year	YoY+/- (%)	Reason for change
Operating revenues	1,586,971,575.24	3,025,082,356.80	-47.54%	Mainly due to the country's credit tightening, the funding is tight and the project is progressing slowly.
Operating costs	1,312,212,102.46	2,319,598,615.76	-43.43%	Reduced operating income
Selling expense	16,521,622.08	18,094,586.39	-8.69%	
Administrative expense	127,907,861.56	125,176,758.15	2.18%	
Finance costs	145,939,925.19	139,811,809.59	4.38%	Due to increase of Long-term and short-term borrowing
Income taxes	18,790,236.79	56,227,138.25	-66.58%	Due to decrease of profit
R &D investment	48,047,814.77	91,252,470.70	-47.35%	Reduced R&D investment in this period
Net cash generate by operating activities	1,098,164,365.63	-535,997,580.19	-304.88%	Mainly because the current payback is better.
Net cash generated by investing activities	-201,491,732.24	-265,219,280.44	-24.03%	
Net cash generated by financing activities	-1,281,374,118.34	1,308,613,716.28	-197.92%	Mainly due to the repayment of loans in the current period
Net increase in cash and cash equivalents	-389,203,669.48	502,768,417.94	-177.41%	Mainly due to the repayment of loans in the current period
Note receivable	392,028,545.46	288,201,562.88	36.03%	Mainly for the increase of company bill collection
Fixed assets	331,425,276.47	174,537,150.56	89.89%	Mainly due to the merger of Acura Kliniken Baden-Baden GmbH
Construction in	707,700.59	4,968,590.96	-85.76%	Mainly due to the

process				completion of overseas equipment installation
Intangible assets	170,804,965.85	127,524,445.00	33.94%	Mainly due to the merger of Acura Kliniken Baden-Baden GmbH
Interest payable	1,776,077.61	16,105,263.85	-88.97%	Mainly due to the maturity of loans in the first half
Other account payable	1,322,713,803.81	520,965,421.13	153.90%	Mainly due to the increase in short-term accounts payable
Non-current liabilities due within 1 year	487,657,918.14	820,422,471.45	-40.56%	Mainly due to the gradual expiration of Long-term loans
Deferred income tax liabilities	51,894,878.61	26,088,961.71	98.92%	Mainly due to the merger of Acura Kliniken Baden-Baden GmbH

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

Applicable Not applicable

No such cases in the reporting period.

Breakdown of main business

In RMB

	Operating revenue	operating costs	Gross profit rate(%)	Increase/decrease of reverse in the same period of the previous year(%)	Increase/decrease of principal business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
Industry						
EPC	1,277,090,209.10	1,058,787,163.78	17.09%	-37.30%	-30.28%	-8.35%
Decoration work	309,881,366.14	253,424,938.68	18.22%	-68.64%	-68.36%	-0.72%
Product						
EPC	1,277,090,209.10	1,058,787,163.78	17.09%	-37.30%	-30.28%	-8.35%

Decoration work	309,881,366.14	253,424,938.68	18.22%	-68.64%	-68.36%	-0.72%
Area						
Domestic	911,931,967.87	822,312,618.71	9.83%	-42.89%	-36.85%	-8.63%
Overseas	675,039,607.37	489,899,483.75	27.43%	-52.74%	-51.85%	-1.33%

III. Non-core business analysis

√ Applicable □ Not applicable

	Amount	Ratio in total profit	Note	Whether be sustainable
Investment income	5,171,892.51	3.20%	Due to the Disposal of subsidiaries	No
Non-operating income	179,220,495.20	110.73%	Due to Land compensation and acquisition of subsidiaries assessed value added	No
Non-operating expenses	636,300.61	0.39%	Due to Disposal of fixed assets	No

IV. Analysis of assets and liabilities

1. Significant changes in asset composition

In RMB

	End of Reporting period		End of same period of last year		Change in percentage(%)	Reason for significant change
	Amount	As a percentage of total assets(%)	Amount	As a percentage of total assets(%)		
Cash and bank balances	1,374,597,109.50	12.47%	1,720,256,083.77	18.08%	-5.61%	Has not changed much
Account receivable	5,031,464,951.12	45.63%	4,828,966,377.80	50.74%	-5.11%	Has not changed much
Inventory	745,455,718.17	6.76%	301,728,576.28	3.17%	3.59%	Has not changed much
Fixed assets	331,425,276.47	3.01%	127,345,176.80	1.34%	1.67%	Due to Acquisition of Acura Kliniken Baden-Baden GmbH
Construction in	707,700.59	0.01%	3,788,297.42	0.04%	-0.03%	Has not changed much

process						
Short-term loans	2,798,513,481.24	25.38%	2,750,186,595.11	28.90%	-3.52%	Has not changed much
Long-term loans	873,089,164.49	7.92%	444,341,594.32	4.67%	3.25%	Due to increase in loans

2. Asset and Liabilities Measured by Fair Value

Applicable Not applicable

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

On January 4, 2017, Wuhan Commercial Worker Hospital received a loan of RMB 100 million from Great Wall Guoxing Financial Leasing Co., Ltd. for a period of 36 months through finance leasing. Please refer to the published on January 5, 2017 on www.cninfo.com.cn) on the relevant announcement.

By the end of the report, the pledge of receivables amounted to 4,121 million yuan. The land of shenzhou Great Wall smart housing industry (zhanjiang) co., ltd. was mortgaged to shenzhen branch of bohai bank by the highest amount of mortgage (the highest amount of debt is 22.28 million yuan). The term is June 11, 2018, solstice, December 21, 2018.

V. Investment situation

1. General

Applicable Not applicable

Investments made in the reporting period	Investments made in same period of last year	+/- %
16,000,000.00	135,075,100.00	-88.15%

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.

VI. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

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

2. Sales of major equity

Applicable Not applicable

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

Applicable Not applicable

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

In RMB

Company name	Company type	Main business scope	Registered capital	Total assets	Net assets	Turnover	Operating profit	Net profit
Sino Great Wall International Engineering Co., Ltd.	Subsidiaries	Construction on general contracting, labor subcontracting; engineering survey and design; professional contracting; engineering design for the construction decoration;	1,000,000,000	10,301,339,207.19	2,342,029,908.99	1,481,683,700.81	101,065,871.37	160,005,549.15

		building curtain wall design, Engineerin g and technical research and experiment al Developm ent. etc.						
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Subsidiaries obtained or disposed in the reporting period

Applicable Not applicable

Notes

Sino international is a construction enterprise mainly engaged in project general contracting (EPC), which can provide customers with "one-stop" project solutions and services, and is committed to becoming a global leading international comprehensive construction service provider. The business area covers two major domestic and foreign markets, with construction projects in 20 foreign countries and 15 overseas branches. The business scope covers construction, highway, municipal public utilities, energy and chemical engineering and other engineering construction majors.

Sino international mainly includes overseas general contracting business, domestic PPP construction business, decoration and mechanical and electrical business. Sino Great Wall hebei xiongan engineering co., LTD. (hereinafter referred to as xiongan company), a subsidiary of the company, was officially established and obtained the business license on feb 24, 2018. In order to better conduct business in xiongan new area, the company rented offices in the new area in 2017 to better serve the construction and development of xiongan new area.

In the first half of 2018, the business revenue was 148,1683,700 yuan. Realized net profit of 16,000.55 million yuan.

VIII. Structured vehicle controlled by the Company

Applicable Not applicable

IX. Prediction of business performance for January -September 2018

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

Applicable Not applicable

X. Risks facing the Company and countermeasures

(1) Influence of Macro Economy and Policy

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

Solutions: Pay constant attention to the international and domestic economic situation to make reasonable prejudgment. 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 2018.

(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 strength 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

4. Foreign exchange risk

Affected by political factors, international exchange rate fluctuates greatly, which may bring certain losses. The impact of foreign exchange risk on the company is mainly reflected in the following three aspects: First, exchange rate fluctuation will affect the project quoted price and cost provided by the company, which will adversely affect the company's project margin; Second, the claims and debts of outstanding balance may bring losses to the company's foreign exchange exposure due to the different exchange rates between the signing date and the settlement date. Third, when compiling the consolidated financial statements, the company may result in book loss when local currency is translated into the accounting currency due to the difference between the exchange rate for translation and the historical exchange rate, which affects the stability of the company's performance.

Solutions: The settlement currency adopted by the company and the customer shall use US dollar or the currency pegged with US dollar as much as possible to ensure the relative stability of the exchange rate; the company purchases construction materials on a global scale to reduce costs and to some extent offset the risk

brought by exchange rate fluctuation to the company. When the settlement currency including US dollar depreciates, foreign exchange settlement shall be reduced to lower the actual exchange loss.

V. Important Events

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

1. Annual General Meeting

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Index to disclosed information
The first provisional shareholders' General meeting in 2018	Provisional shareholders' General Meeting	51.78%	March 28,2018	March 29,2018	The first provisional shareholders' General Meeting (No.2018-050) published on Securities Times,Hong Kong Commercial Daily and Juchao Website (http://www.cninfo.com.cn) on March 29.2018.
The second provisional shareholders' General meeting in 2018	Provisional shareholders' General Meeting	38.84%	April 9,2018	April 10,2018	The second provisional shareholders' General Meeting (No.2018-053) published on Securities

					Times,Hong Kong Commercial Daily and Juchao Website (http://www.cninfo.com.cn) on April 10,,2018.
2017 Annual General Meeting	Annual General Meeting	34.50%	May 16,2018	May 17,2018	2017 Annual General Meeting (No.2018-071) published on Securities Times,Hong Kong Commercial Daily and Juchao Website (http://www.cninfo.com.cn) on May 17,2018.
The third provisional shareholders' General meeting in 2018	Provisional shareholders' General Meeting	34.50%	June 21,2018	June 22,2018	The third provisional shareholders' General Meeting (No.2018-081) published on Securities Times,Hong Kong Commercial Daily and Juchao Website (http://www.cninfo.com.cn) on June 22,2018.

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

Applicable Not applicable

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

Applicable Not applicable

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

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

√ Applicable □ Not applicable

Commitment	Commitment maker	Type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform	No	No	No		No	No
Commitment in the acquisition report or the report on equity changes	No	No	No		No	No
Commitments in assets reorganization	Chen Lue	Cash compensation	“1. Up to October 13th,2014, the related expenses of the litigation and arbitration cases, including the actual price, compensation, penalty, litigation costs, etc. which the parent-subsidiary companies of Sino Great Wall needs to pay caused by the final results of litigation and arbitration cases,	March 19,2015	Long-term	It has been fulfilled (on May 21, 2018, Chen Lue paid the company a payment of RMB 5,601,460.21 for the difference between the lawsuit and arbitration of parent company and subsidiary of Sino Great Wall Co., Ltd.. For details information, please refer to the Announcement on the Payment of Cash by the

			<p>exceed the amount of liabilities which recognized in the “Audit Report” made for Sino Great Wall by Ruihua CPA (Special Ordinary Partnership) on the basis of the audit base day of July 31st, 2014, I promise to bear the balance by cash unconditionally so as to guarantee the parent-subidiaries of Sino Great Wall won’t suffer any loss. 2. This commitment letter is irrevocable.</p>			<p>Controlling Shareholder and the Actual Controller to the Company to Fulfill the Commitment published by the company on the website of Juchao Information (cninfo.com.cn) on May 22, 2018.)</p>
	Chen Lue , He Feiyan	Performance commitment	<p>According to “Agreement of Shenzhen Victor Onward Textile</p>	May 11,2015	Long-term	Fulfilled

			<p>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</p>			
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			promised net profit mentioned above , Chen Lue and He Feiyan will compensate for listed company in accordance with “Performance Compensation Agreement” and its supplemental agreement			
	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	March 19,2015	Long-term	It has been fulfilled (on March 29, 2018, the company received RMB 100 million as the economic compensation paid by Shenzhen Union Development Investment Co., Ltd., and promised to fulfill it.)

			<p>as the expected compensations concerning to the regaining of plots planned as schools within the right of land use of Nanyou Industrial Park of Nanshan District have not been recorded in the assessment. Therefore, Union Group promises that after the reorganization, if Union or a third party appointed by Union receives compensations or incomes related to above-mentioned disposed assets which</p>			
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			<p>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</p>			
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			<p>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.</p> <p>(Notes:On June 25, 2015,All shareholders of Victor Onward Holdings, Union Group and Sino Great Wall Signed supplementary agreement, and specified that the land and houses without ownership certificate of Victor Onward Holdings</p>			
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			<p>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.</p>			
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			And the benefits and risks of the real estate without certificate are enjoyed and assumed by Victor Onward Holdings.”			
Commitments make in initial public offering or re-financing	No	No	No		No	No
Equity incentive commitment	No	No	No		No	No
Other commitments for medium and small shareholders	No	No	No		No	No
Completed on time(Y/N)	Yes					
If the commitments is not fulfilled on time, shall explain the specify reason and the next work plan	Nil					

IV. Particulars about engagement and disengagement of CPAs firm

Whether the semi-annual financial report had been audited?

Yes No

The semi-annual financial report has not been audited.

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

Applicable Not applicable

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

Applicable Not applicable

VII. Bankruptcy and restructuring

Applicable Not applicable

No such cases in the reporting period.

VIII. Legal matters

Significant lawsuits or arbitrations

Applicable Not applicable

No such cases in the reporting period.

Other legal matters

Applicable Not applicable

IX. Punishments and rectifications

Applicable Not applicable

No such cases in the reporting period.

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

Applicable Not applicable

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

Applicable Not applicable

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

Please refer to the published on November 7, 2015 and November 24, 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. Please refer to the published on November 22, 2017 (www.cninfo.com.cn) on the relevant announcement.

XII. Material related transactions

1. Related transactions in connection with daily operation

Applicable Not applicable

No such cases in the reporting period.

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

Applicable Not applicable

No such cases in the reporting period.

3. Related-party transactions with joint investments

Applicable Not applicable

No such cases in the reporting period.

4. Credits and liabilities with related parties

Applicable Not applicable

No such cases in the reporting period.

5. Other significant related-party transactions

Applicable Not applicable

On March 12, 2018, the company and Union Development Group Co., Ltd. and Chen Lue signed an Agreement on the Economic Compensation for the Events after the Major Asset Restructuring Period of Shenzhen Victor Onward Textile Industrial Co., Ltd.. On March 17, 2018, the company and Union Development Group and Mr. Chen Lue signed a Supplementary Agreement on Agreement on the Economic Compensation for the Events after the Major Asset Restructuring Period of Shenzhen Victor Onward Textile Industrial Co., Ltd.. On March 29, 2018, the company received RMB 100 million as the economic compensation paid by Shenzhen Union Development Investment Co., Ltd..

Website for temporary disclosure of the connected transaction

Announcement	Date of disclosure	Website for disclosure
Sino Great Wall : Announcement on Signing the Economic Compensation Agreement and Changes in Shareholders' Commitments and Related Transactions	March 20,2018	(http://www.cninfo.com.cn)
Sino Great Wall: Announcement on the Supplemental Agreement for the Signing of the Economic Compensation Agreement	March 20,2018	(http://www.cninfo.com.cn)

XIII. Particulars about the non-operating occupation of funds by the Controlling shareholder and other related parties of the Company

Applicable Not applicable

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

XIV. Significant contracts and execution

1.Entrustments, contracting and leasing

(1) Entrustment

Applicable Not applicable

No such cases in the reporting period.

(2) Contracting

Applicable Not applicable

No such cases in the reporting period.

(3) Leasing

Applicable Not applicable

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

Ten thousand

External Guarantee (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Total of external guarantee approved in the report term (A1)		0		Total of external guarantee actually occurred in the report term (A2)		0		
Total of external guarantee approved as of end of report term (A3)		0		Total of external guarantee actually occurred as of end of report term (A4)		0		
Guarantee of the company for its subsidiaries								
Guarantee provided to	Amount of guarantee and date of disclosure	Amount of the guarantee	Actual date of occurring (signing date of agreements)	Actual amount of guarantee	Type of guarantee	Term	Completed or not	Related guarantee
Sino International	April 15, 2016	70,000	January 16, 2017	70,000	The joint liability guaranty	1 year	No	No
Sino International	April 28, 2017	12,000	February 12, 2018	12,000	The joint liability guaranty	1 year	No	No
Sino International	April 28, 2017	12,000	March 12, 2018	12,000	The joint liability guaranty	1 year	No	No
Sino International	April 15, 2016	20,000	April 11, 2017	20,000	The joint liability guaranty	1 year	No	No
Sino International	April 28, 2017	12,000	June 7, 2017	12,000	The joint liability guaranty	1 year	No	No

Sino International	April 28, 2017	40,000	June 25,2017	40,000	The joint liability guaranty	1 year	No	No
Sino International	April 28, 2017	22,000	June 30,2017	22,000	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	10,000	November 30,2017	10,000	The joint liability guaranty	1 year	No	No
Sino International	April 28, 2017	20,000	January 10,2018	20,000	The joint liability guaranty	1 year	No	No
Sino International	April 28, 2017	8,000	February 13,2018	8,000	The joint liability guaranty	1 year	No	No
Sino International	April 15, 2016	8,400	March 31,2017	8,400	The joint liability guaranty	30 months	No	No
Wuhan Commercial Worker Hospital	April 15, 2016	10,889.81	January 18,2017	10,889.81	The joint liability guaranty	3 years	No	No
Sino Great Wall Jianye	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)		1,000,000		Total of actual guarantee for subsidiaries in the Period (B2)		52,000		
Total of guarantee for subsidiaries approved at Period-end (B3)		1,000,000		Total of actual guarantee for subsidiaries at Period-end (B4)		280,289.81		
Guarantee of the subsidiaries for the controlling subsidiaries								
Name of the Company	Relevant disclosure	Amount of	Date of happening	Actual amount of	Guarantee type	Guarantee term	Complete implem	Guarantee for

guaranteed	date/No. of the guaranteed amount	guarantee	(Date of signing agreement)	guarantee		entation or not	associated parties (Yes or no)
Total guarantee quota to the subsidiaries approved in the reporting period (C1)			0	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)			0	Total balance of actual guarantee to the subsidiaries at the end of the reporting period (C4)			0
Total of Company's guarantee (namely total of the large three aforementioned)							
Total of guarantee in the Period (A1+B1+C1)			1,000,000	Total of actual guarantee in the Period (A2+B2+C2)			52,000
Total of guarantee at Period-end (A3+B3+C3)			1,000,000	Total of actual guarantee at Period-end (A4+B4+C4)			280,289.81
The actual total amount of guarantee (namely A4+B4+C4) accounts for the proportion of the company's net assets				127.08%			
Including:							
Balance of security for shareholders, actual controllers and their affiliates (D)				0			
Debt guarantee balance (E) provided directly or indirectly to the insured object with the asset-liability ratio exceeding 70%				0			
Amount secured in excess of 50% of net assets (F)				0			
Total amount of the above three guarantees (D+E+F)				0			
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees (If any)				None			
Explanations on external guarantee against regulated procedures(If any)				None			

Description of the guarantee with complex method

(2) Illegal providing of external guarantees

Applicable Not applicable

No illegal providing of external guarantees in the report period.

3. Other significant contracts

√ Applicable □ Not applicable

The name of the contracting company	The name of the contracted company	Contract object	The date of signature of the contract	The book value of the assets involved in the contract (ten thousand and) (If any)	The assessed value of the assets involved in the contract (ten thousand and) (If any)	Name of the evaluation organization (If any)	The base date evaluation (If any)	Pricing principles	Bargain price (ten thousand and)	Whether connected transaction (Y/N)	Incidence relation	The performance by the end of the term	The date of disclosure	Index
Sino Great Wall International Engineering Co., Ltd.	UPL Laos Co., Ltd.	Development project of the Jubilee Special Economic Zone in Vientiane, Laos	February 14, 2018	None	None	None	February 14, 2018	The market price	US \$30 million (RMB 19,0284 million, of which US \$10 million in cash and US \$20 million in construction	No	Do not apply	Some design work has been completed, the construction team has entered the site, and the basic temporary	February 14, 2018	Please refer to the published on February 14, 2018 (www.cninfo.com.cn) on the relevant announcement. (Announcement No. 2018-025)

										n cushi on)		const ructio n facilit ies have been		
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XV. Social responsibilities

1. Major environmental protection

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

No

1. Fulfilling the Social responsibility of Precision Poverty Alleviation

(1) Precise poverty alleviation plan

The company has no precise social responsibility for poverty alleviation in the period and has no follow-up plan either.

(2) Half-year poverty relieving summary

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

(4) Subsequent targeted poverty alleviation program

Nil

XVI. Other material events

Applicable Not applicable

On January 4, 2018, the China Securities Regulatory Commission's approval of the company's non-public offering of shares expired. Please refer to the published the relevant announcement published on Securities times, Hongkong Commercial Daily and www.cninfo.com.cn) on January 6, 2018.

XVII. Material events of subsidiaries

Applicable Not applicable

VI. Change of share capital and shareholding of Principal Shareholders

I. Changes in share capital

1. Changes in share capital

In shares

	Before the change		Increase/decrease (+, -)					After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion
I. Share with conditional subscription	681,305,436	40.12%				218,475	218,475	681,523,911	40.13%
3.Other domestic shares	681,305,436	40.12%				218,475	218,475	681,523,911	40.13%
Of which: Domestic legal person shares	42,479,672	2.50%				0	0	42,479,672	2.50%
Domestic natural person shares	638,825,764	37.62%				218,475	218,475	639,044,239	37.63%
II. Shares with unconditional subscription	1,016,939,575	59.88%				-218,475	-218,475	1,016,721,100	59.87%
1.Common shares in RMB	753,136,344	44.34%				-218,475	-218,475	752,917,869	44.34%
.Foreign shares in domestic market	263,803,231	15.54%				0	0	263,803,231	15.53%
III. Total of capital shares	1,698,245,011	100.00%				0	0	1,698,245,011	100.00%

Reasons for share changed:

 Applicable Not applicable

Approval of Change of Shares

 Applicable Not applicable

Ownership transfer of share changes

 Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

2. Change of shares with limited sales condition

Applicable Not applicable

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 purchase assets and raise matching funds	November 27,2018
Chen Lue	382,500	382,500	0	0	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	October 14,2018

					shares to purchase assets and raise matching funds	
Jiutai Fund—Bank of Communications—Jiutai Huitong No.2 specific customer asset management plan	42,479,672	0	0	42,479,672	The major asset restructuring and the issue of shares to purchase assets and raise matching fund	November 27, 2018
Li Erlong	619,050	0	0	619,050	Executive locking stock	Not applicable
Yang Chunling	46,125	0	0	46,125	Executive locking stock	Not applicable
Liang Rong	0	0	600,975	600,975	Executive locking stock	Not applicable
Total	681,305,436	382,500	600,975	681,523,911	--	--

II. Issuing and listing

Applicable Not applicable

III. Shareholders and shareholding

In Shares

Total number of common shareholders at the end of the reporting period		73,328	Total number of preferred shareholders that had restored the voting right at the end of the reporting period (if any) (note 8)		0			
Shareholding of shareholders holding more than 5% shares								
Shareholders	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	0	581,340 ,196	2,114,360	Pledge	583,454,556
STYLE-SUC CESS LIMITED	Foreign legal person	5.47%	92,970, 910	0	0	92,970,91 0		
Union Holdings Co., Ltd.	Domestic Non- State-owned legal person	5.18%	87,935, 921	0	0	87,935,92 1		
He Feiyan	Domestic Natural person	3.23%	54,800, 458	0	54,800, 458	0	Pledge	54,000,000
Jiutai Fund— Bank of Communicati ons — Jiutai Huitong No.2 specific customer asset management plan	Other	2.50%	42,479, 672	0	42,479, 672	0		
Rich Crown Investment Co., Ltd.	Foreign legal person	1.37%	23,235, 313	0	0	23,235,31 3		
Qinghai Heyi Industry Development Co., Ltd.	Domestic Non- State-owned legal person	0.79%	13,357, 084	0	0	13,357,08 4	Pledge	13,357,000
Zhang Xubao	Domestic Natural person	0.65%	11,015, 100	3,148,900	0	11,015,10 0		
Huang Huaian	Domestic Natural person	0.59%	10,000, 000	1,493,000	0	10,000,00 0		
Song Wenguang	Domestic Natural person	0.50%	8,575,9 81	7,255,981	0	8,575,981		
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 shareholders	The largest shareholder of Mr. Chen Lue and the Fourth largest shareholder of Ms. He Feiyan aforesaid are persons acting in concern; The controlling shareholder of the above-mentioned third shareholder Shenzhen Union Holdings Co.,Ltd. And Sixth 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 exchange	92,970,910
Union Holdings Co., Ltd.	87,935,921	RMB Common shares	87,935,921
Rich Crown Investment Co., Ltd.	23,235,313	Foreign shares placed in domestic exchange	23,235,313
Qinghai Heyi Industry Development Co., Ltd.	13,357,084	RMB Common shares	13,357,084
Zhang Xubao	11,015,100	RMB Common shares	11,015,100
Huang Huaian	10,000,000	RMB Common shares	10,000,000
Song Wenguang	8,575,981	RMB Common shares	8,575,981
Li Guanping	8,132,700	RMB Common shares	8,132,700
Zheng Qianghui	5,485,820	RMB Common shares	5,485,820
Chen Lihong	4,683,460	RMB Common shares	4,683,460
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 in financing securities (if any)(See Notes 4)	Nil		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a

buy-back agreement dealing in reporting period.

Yes No

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

IV. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

Applicable Not Applicable

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

Change of the actual controller in the reporting period

Applicable Not applicable

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

VII. Situation of the Preferred Shares

Applicable Not applicable

The Company had no preferred shares in the reporting period

VIII. Information about Directors, Supervisors and Senior Executives

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

√ Applicable □ Not applicable

Name	Position	Office status	Shares held at the year-begin (share)	Amount of shares increased at the reporting period (share)	Amount of shares decreased at the reporting period (share)	Shares held at the year-end (share)	Number of restricted stock granted at the year-begin (share)	Number of restricted stock granted at the reporting period (share)	Number of restricted stock granted at the year-end (share)
Chen Lue	Chairman	In office	583,454,556	0	0	583,454,556	0	0	0
Li Erlong	Vice Chairman, Deputy GM	In office	825,400	0	0	825,400	0	0	0
Liang Rong	Vice Chairman, Deputy GM	In office	0	801,300	0	801,300	0	0	0
Yang Chunling	Secretary to the board of directors	In office	61,500	0	0	61,500	0	0	0
Total			584,341,456	801,300	0	585,142,756	0	0	0

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

√ Applicable □ Not applicable

Name	Positions	Types	Date	Reason
Tian Wei	Director	Appointment	March 28, 2018	Elected as a non-independent director in the first Provisional shareholders' general meeting of 2018
Bai Bin	Director	Dimission	January 18, 2018	Resigned due to personal reasons
Dong Binggen	Chairman of the supervisory	Dimission	June 21, 2018	Resigned due to personal reasons

	committee			
Fang Xianzhong	Chairman of the supervisory committee	Appointment	June 21,2018	Elected as shareholder Representative Supervisor in the third Provisional shareholders' general meeting of 2018 , The chairman of the supervisory committee was elected by the 21st meeting of seventh supervisory committee .

IX. Corporate Bond

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

No

X. Financial Report

I. Audit report

Has this semi-annual report been audited?

Yes No

The semi-annual financial report has not been audited.

II. Financial statements

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

1.Consolidated Balance sheet

Prepared by : Sino Great Wall Co., Ltd.

June 30,2018

Items	Year-end balance	Year-beginning balance
Current asset:		
Cash and bank balances	1,374,597,109.50	1,604,973,916.12
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Note receivable	392,028,545.46	288,201,562.88
Account receivable	5,031,464,951.12	5,706,675,244.08
Prepayments	214,849,286.28	225,208,527.88
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	1,444,685,359.48	1,674,675,360.28
Repurchasing of financial assets		

Inventories	745,455,718.17	556,839,325.50
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	16,047,813.14	17,126,911.05
Total of current assets	9,219,128,783.15	10,073,700,847.79
Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset	10,338,500.00	10,338,500.00
Expired investment in possess		
Long-term receivable	16,151,975.94	14,328,557.82
Long term share equity investment		
Property investment		
Fixed assets	331,425,276.47	174,537,150.56
Construction in progress	707,700.59	4,968,590.96
Engineering material		
Fixed asset pending for disposal		
Productive biological assets		
Gas & petrol		
Intangible assets	170,804,965.85	127,524,445.00
R & D petrol		
Goodwill	57,769,954.64	64,494,271.55
Long-germ expenses to be amortized	11,605,439.50	10,124,913.15
Differed income tax asset	117,065,718.40	118,233,337.36
Other non-current asset	1,090,567,331.91	1,069,594,572.11
Total of non-current assets	1,806,436,863.30	1,594,144,338.51
Total of assets	11,025,565,646.45	11,667,845,186.30
Current liabilities		
Short-term loans	2,798,513,481.24	3,477,200,420.55
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		

Derivative financial liabilities		
Notes payable	882,244,105.35	906,597,988.15
Account payable	1,226,462,217.35	1,719,579,087.62
Advance payment	129,051,847.05	146,379,852.67
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	48,918,732.49	21,911,542.07
Tax payable	464,390,232.27	357,445,477.71
Interest payable	1,776,077.61	16,105,263.85
Dividend payable		
Other account payable	1,322,713,803.81	520,965,421.13
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	487,657,918.14	820,422,471.45
Other current liability		121,529,600.95
Total of current liability	7,361,728,415.31	8,108,137,126.15
Non-current liabilities:		
Long-term loan	873,089,164.49	843,092,471.02
Bond payable	345,000,000.00	345,000,000.00
Including: preferred stock		
Sustainable debt		
Long-term payable	63,606,067.75	81,945,567.86
Long-term payable employee's remuneration		
Special payable		
Expected liabilities	2,958,723.15	3,414,189.15
Deferred income	5,999,151.77	
Deferred income tax liability	51,894,878.61	26,088,961.71
Other non-current liabilities		
Total non-current liabilities	1,342,547,985.77	1,299,541,189.74
Total of liability	8,704,276,401.08	9,407,678,315.89

Owners' equity		
Share capital	1,698,245,011.00	1,698,245,011.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	-1,299,349,701.74	-1,299,349,701.74
Less: Shares in stock		
Other comprehensive income	595,233.77	858,242.13
Special reserves	70,539,291.65	164,231,078.18
Surplus reserves	84,394,441.23	84,394,441.23
Common risk provision		
Undistributed profit	1,651,166,244.75	1,503,103,396.72
Total of owner's equity belong to the parent company	2,205,590,520.66	2,151,482,467.52
Minority shareholders' equity	115,698,724.71	108,684,402.89
Total of owners' equity	2,321,289,245.37	2,260,166,870.41
Total of liabilities and owners' equity	11,025,565,646.45	11,667,845,186.30

Legal Representative: Chen Lue

Person in charge of accounting: Tang Xianyong

Accounting Dept Leader: Tang Xianyong

2. Balance sheet of Parent Company

In RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Cash and bank balances	343,246,908.78	407,959,304.60
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Note receivable		
Account receivable		
Prepayments		3,865,500.01

Interest receivable		
Dividend receivable	100,000,000.00	100,000,000.00
Other account receivable	2,891,108,093.08	3,590,967,483.22
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset		2,175,646.45
Total of current assets	3,334,355,001.86	4,104,967,934.28
Non-current assets:		
Disposable financial asset		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	3,311,211,536.66	3,311,211,536.66
Property investment		
Fixed assets	44,308.72	52,246.48
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets		
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	2,216,225.79	168,284.84
Deferred income tax asset		
Other non-current asset	627,328,020.00	550,524,570.00
Total of non-current assets	3,940,800,091.17	3,861,956,637.98
Total of assets	7,275,155,093.03	7,966,924,572.26
Current liabilities		
Short-term loans	1,581,526,356.46	2,287,870,000.00
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable	542,227,578.11	537,227,578.11

Account payable		
Advance payment		
Employees' wage payable	4,549,255.24	1,580,335.12
Tax payable	94,559,237.00	97,124,633.81
Interest payable		13,002,236.21
Dividend payable		
Other account payable	733,968,463.15	379,420,427.54
Liabilities held for sales		
Non-current liability due in 1 year	410,000,000.00	700,000,000.00
Other current liability		
Total of current liability	3,366,830,889.96	4,016,225,210.79
Non-current liabilities:		
Long-term loan	766,250,000.00	800,000,000.00
Bond payable	100,000,000.00	100,000,000.00
Including: preferred stock		
Sustainable debt		
Long-term payable		
Employees' wage payable		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total of Non-current liabilities	866,250,000.00	900,000,000.00
Total of liability	4,233,080,889.96	4,916,225,210.79
Owners' equity		
Share capital	1,698,245,011.00	1,698,245,011.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	1,237,956,472.37	1,237,956,472.37
Less: Shares in stock		
Other comprehensive income		
Special reserves		

Surplus reserves	26,309,287.00	26,309,287.00
Undistributed profit	79,563,432.70	88,188,591.10
Total of owners' equity	3,042,074,203.07	3,050,699,361.47
Total of liabilities and owners' equity	7,275,155,093.03	7,966,924,572.26

3.Consolidated Income Statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	1,586,971,575.24	3,025,082,356.80
Incl: Business income	1,586,971,575.24	3,025,082,356.80
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	1,608,871,904.01	2,693,735,290.45
Incl: Business cost	1,312,212,102.46	2,319,598,615.76
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	2,106,518.05	1,942,587.29
Sales expense	16,521,622.08	18,094,586.39
Administrative expense	127,907,861.56	125,176,758.15
Financial expenses	145,939,925.19	139,811,809.59
Asset impairment loss	4,183,874.66	89,110,933.27
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	5,171,892.51	
Incl: investment gains from affiliates		
Gains from currency exchange (“-”for loss)		
Assets disposal income		

Other income		
III. Operational profit (“-”for loss)	-16,728,436.26	331,347,066.35
Add : Non-operational income	179,220,495.20	4,444,624.78
Less: Non business expenses	636,300.61	93,122.33
IV. Total profit(“-”for loss)	161,855,758.33	335,698,568.80
Less: Income tax expenses	18,790,236.79	56,227,138.25
V. Net profit	143,065,521.54	279,471,430.55
1.Net continuing operating profit		
2.Termination of operating net profit		
Net profit attributable to the owners of parent company	143,999,455.72	268,606,450.03
Minority shareholders’ equity	-933,934.18	10,864,980.52
VI. Other comprehensive income	-263,008.36	
Net of profit of other comprehensive income attributable to owners of the parent company.	-263,008.36	
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.	-263,008.36	
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		

5. Translation differences in currency financial statements	-263,008.36	
6. Other		
Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	142,802,513.18	279,471,430.55
Total comprehensive income attributable to the owner of the parent company	143,736,447.36	268,606,450.03
Total comprehensive income attributable minority shareholders	-933,934.18	10,864,980.52
VIII. Earnings per share		
(I) Basic earnings per share	0.0848	0.16
(II) Diluted earnings per share	0.0848	0.16

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

Legal Representative: Chen Lue

Person in charge of accounting: Tang Xianyong

Accounting Dept Leader: Tang Xianyong

4. Income statement of the Parent Company

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	117,362.07	111,018.01
Incl : Business cost		1,482.50
Business tax and surcharge		244,690.66
Sales expense	994,445.50	
Administrative expense	17,904,118.30	10,577,092.07
Financial expenses	81,405,456.80	37,367,434.56
Asset impairment loss	8,438,499.87	-57,423.85

Add : Gains from change of fair value ("-"for loss)		
Investment gain ("-"for loss)		
Incl: investment gains from affiliates		
Assets disposal income		
Other income		
II. Operational profit ("-"for loss)	-108,625,158.40	-48,022,257.93
Add : Non-operational income	100,000,000.00	
Less : Non business expenses		
III.Total profit("-"for loss)	-8,625,158.40	-48,022,257.93
Less : Income tax expenses		
IV. Net profit ("-"for net loss)	-8,625,158.40	-48,022,257.93
1.Net continuing operating profit		
2.Termination of operating net profit		
V.Net of profit of other comprehensive income		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II) Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be re		

classified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	-8,625,158.40	-48,022,257.93
VII. Earnings per share :		
(I) Basic earnings per share		
(II)Diluted earnings per share		

5. Consolidated Cash flow statement

In RMB

Items	Report period	Same period of the previous year
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	2,448,493,180.76	1,722,890,541.67
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		

Net increase of trade financial asset disposal		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned	3,369,607.31	10,169,861.98
Other cash received from business operation	3,596,297,555.25	2,967,473,297.47
Sub-total of cash inflow	6,048,160,343.32	4,700,533,701.12
Cash paid for purchasing of merchandise and services	2,123,943,719.36	1,452,656,023.95
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	172,389,891.23	181,877,746.19
Taxes paid	75,707,443.61	157,274,185.63
Other cash paid for business activities	2,577,954,923.49	3,444,723,325.54
Sub-total of cash outflow from business activities	4,949,995,977.69	5,236,531,281.31
Cash flow generated by business operation, net	1,098,164,365.63	-535,997,580.19
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains		
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	432,865.55	
Net cash received from disposal of subsidiaries or other operational units	1,062,398.45	

Other investment-related cash received		
Sub-total of cash inflow due to investment activities	1,495,264.00	
Cash paid for construction of fixed assets, intangible assets and other long-term assets	12,179,377.50	18,675,205.60
Cash paid as investment	226,429,730.78	246,074,074.84
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units	-35,622,112.04	470,000.00
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	202,986,996.24	265,219,280.44
Net cash flow generated by investment	-201,491,732.24	-265,219,280.44
III. Cash flow generated by financing		
Cash received as investment	490,000.00	2,753,197,500.00
Incl: Cash received as investment from minor shareholders		
Cash received as loans	1,170,509,245.00	
Cash received from bond placing		
Other financing –related cash received		
Sub-total of cash inflow from financing activities	1,170,999,245.00	2,753,197,500.00
Cash to repay debts	2,282,455,158.52	1,349,438,184.19
Cash paid as dividend, profit, or interests	169,918,204.82	95,084,766.20
Incl: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities		60,833.33
Sub-total of cash outflow due to financing activities	2,452,373,363.34	1,444,583,783.72
Net cash flow generated by financing	-1,281,374,118.34	1,308,613,716.28
IV. Influence of exchange rate	-4,502,184.53	-4,628,437.71

alternation on cash and cash equivalents		
V.Net increase of cash and cash equivalents	-389,203,669.48	502,768,417.94
Add: balance of cash and cash equivalents at the beginning of term	647,222,590.49	943,705,322.41
VI ..Balance of cash and cash equivalents at the end of term	258,018,921.01	1,446,473,740.35

6. Cash Flow Statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services		128,210.00
Tax returned		
Other cash received from business operation	3,329,634,571.90	2,072,983,202.47
Sub-total of cash inflow	3,329,634,571.90	2,073,111,412.47
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	626,668.10	219,753.50
Taxes paid	1,012,217.08	147,356.70
Other cash paid for business activities	2,256,119,534.57	2,697,856,678.81
Sub-total of cash outflow from business activities	2,257,758,419.75	2,698,223,789.01
Cash flow generated by business operation, net	1,071,876,152.15	-625,112,376.54
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains		
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		

Other investment-related cash received		
Sub-total of cash inflow due to investment activities		
Cash paid for construction of fixed assets, intangible assets and other long-term assets		65,440.00
Cash paid as investment	13,000,000.00	135,075,100.00
Net cash received from subsidiaries and other operational units		5,000,000.00
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	13,000,000.00	140,140,540.00
Net cash flow generated by investment	-13,000,000.00	-140,140,540.00
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	755,650,000.00	1,908,030,000.00
Cash received from bond placing		
Other financing –related ash received		
Sub-total of cash inflow from financing activities	1,690,650,010.00	1,908,030,000.00
Cash to repay debts	1,783,743,643.54	820,000,000.00
Cash paid as dividend, profit, or interests	91,415,896.63	70,346,435.20
Other cash paid for financing activities		60,833.33
Sub-total of cash outflow due to financing activities	1,875,159,540.17	890,407,268.53
Net cash flow generated by financing	-1,119,509,540.17	1,017,622,731.47
IV. Influence of exchange rate alternation on cash and cash equivalents		0.00
V. Net increase of cash and cash equivalents	-60,633,388.02	252,369,814.93
Add: balance of cash and cash equivalents at the beginning of term	99,547,899.86	168,691,344.34

VI..Balance of cash and cash equivalents at the end of term	38,914,511.84	421,061,159.27
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7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Items	Amount in this period												
	Owner's equity Attributable to the Parent Company											Minor share holders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profits		
preferred stock		Sustainable debt	Other										
I. Balance at the end of last year	1,698,245,011.00				-1,299,349,701.74		858,242.13	164,231,078.18	84,394,441.23		1,503,103,396.72	108,684,402.89	2,260,166,870.41
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of current year	1,698,245,011.00				-1,299,349,701.74		858,242.13	164,231,078.18	84,394,441.23		1,503,103,396.72	108,684,402.89	2,260,166,870.41
III. Changed in the current year							-263,008.36	-93,691,786.53			148,062,848.03	7,014,321.82	61,122,374.96
(1) Total comprehensive income							-263,008.36				143,999,455.72	-933,934.18	142,802,513.18

(II) Investment or decreasing of capital by owners											4,063,392.31	7,948,256.00	12,011,648.31
1. Ordinary Shares invested by shareholders													
2. Holders of other equity instruments invested capital													
3. Amount of shares paid and accounted as owners' equity													
4. Other											4,063,392.31	7,948,256.00	12,011,648.31
(III) Profit allotment													
1. Providing of surplus reserves													
2. Providing of common risk provisions													
3. Allotment to the owners (or shareholders)													
4. Other													
(IV) Internal transferring of owners' equity													
1. Capitalizing of capital reserves (or to capital shares)													
2. Capitalizing of surplus reserves (or to capital shares)													

3. Making up losses by surplus reserves.													
4. Other													
(V). Special reserves							-93,691,786.53						-93,691,786.53
1. Provided this year							7,271,059.70						7,271,059.70
2. Used this term							-100,962,846.23						-100,962,846.23
(VI) Other													
IV. Balance at the end of this term	1,698,245,011.00				-1,299,349,701.74		595,233.77	70,539,291.65	84,394,441.23		1,651,166,244.75	115,698,724.71	2,321,289,245.37

Amount in last year

In RMB

Items	Amount in last year												
	Owner's equity Attributable to the Parent Company											Minor share holders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Retained profits		
preferred stock		Sustainable debt	Other										
I. Balance at the end of last year	1,698,245,011.00				-1,299,349,701.74			65,687,868.14	84,394,441.23		1,228,970,498.86	52,534,755.10	1,830,482,872.59
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under													

common control														
Other														
II. Balance at the beginning of current year	1,698,245,011.00				-1,299,349,701.74				65,687,868.14	84,394,441.23		1,228,970,498.86	52,534,755.10	1,830,482,872.59
III. Changed in the current year					-4,222,250.95				16,140,019.54			166,711,749.37	13,908,372.83	192,537,890.79
(1) Total comprehensive income												268,606,450.03	10,864,980.52	279,471,430.55
(II) Investment or decreasing of capital by owners					-4,222,250.95								3,043,392.31	-1,178,858.64
1. Ordinary Shares invested by shareholders														
2. Holders of other equity instruments invested capital														
3. Allotment to the owners (or shareholders)														
4. Other					-4,222,250.95								3,043,392.31	1,178,858.64
(IV) Internal transferring of owners' equity													-101,894,700.66	-101,894,700.66
1. Capitalizing of capital reserves (or to capital shares)														
2. Capitalizing of surplus reserves (or to capital shares)														

3. Making up losses by surplus reserves.												-101,894,700.66		-101,894,700.66
4. Other														
(VI) Special reserves														
1. Provided this year														
2. Used this term														
(VII) Other														
IV. Balance at the end of this term														
(V) Special reserves							16,140,019.54							16,140,019.54
1. Provided this year							35,597,306.04							35,597,306.04
2. Used this term							19,457,286.50							19,457,286.50
(VI) Other														
IV. Balance at the end of this term	1,698,245,011.00				-1,303,571,952.69		81,827,887.68	84,394,441.23		1,395,682,248.23	66,443,127.93		2,023,020,763.38	

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

Amount in this period

In RMB

Items	Amount in this period										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Surplus reserves	Common risk provision	Retained profits	Total of owners' equity
		preferred stock	Sustainable debt	Other							

I. Balance at the end of last year	1,698,245,011.00				1,237,956,472.37				26,309,287.00	88,188,591.10	3,050,699,361.47
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II. Balance at the beginning of current year	1,698,245,011.00				1,237,956,472.37				26,309,287.00	88,188,591.10	3,050,699,361.47
III. Changed in the current year										-8,625,158.40	-8,625,158.40
(I) Total comprehensive income										-8,625,158.40	-8,625,158.40
(II) Investment or decreasing of capital by owners											
1. Ordinary Shares invested by shareholders											
2. Holders of other equity instruments invested capital											
3. Amount of shares paid and accounted as owners' equity											
4. Other											
(III) Profit allotment											
1. Providing of surplus reserves											
2. Allotment to the owners (or											

shareholders)											
3. Other											
(IV) Internal transferring of owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											
3. Making up losses by surplus reserves.											
4. Other											
(V) Special reserves											
1. Provided this year											
2. Used this term											
(VI) Other											
IV. Balance at the end of this term	1,698,245,011.00				1,237,956,472.37				26,309,287.00	79,563,432.70	3,042,074,203.07

Amount in last year

In RMB

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Surplus reserves	Common risk provision	Retained profits	Total of owners' equity
		preferred stock	Sustainable debt	Other							
I. Balance at the end of last year	1,698,245,011.00				1,237,956,472.37				26,309,287.00	242,353,634.55	3,204,864,404.92

Add: Change of accounting policy											
Correcting of previous errors											
Other											
II. Balance at the beginning of current year	1,698,245.01				1,237,956,472.37				26,309,287.00	242,353.63	3,204,864,404.92
III. Changed in the current year										-149,916.95	-149,916.95
(I) Total comprehensive income										-48,022.79	-48,022.79
(II) Investment or decreasing of capital by owners											
1. Ordinary Shares invested by shareholders											
2. Holders of other equity instruments invested capital											
3. Amount of shares paid and accounted as owners' equity											
4. Other											
(III) Profit allotment										-101,894.70	-101,894.70
1. Providing of surplus reserves											
2. Allotment to the owners (or shareholders)										-101,894.70	-101,894.70
3. Other											

(IV) Internal transferring of owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											
3. Making up losses by surplus reserves.											
4. Other											
(V) Special reserves											
1. Provided this year											
2. Used this term											
(VI) Other											
IV. Balance at the end of this term	1,698,245.0				1,237,956,472.37				26,309,287.00	92,436,675.96	3,054,947,446.33

III. Basic Information of the Company

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

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

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

non-public offering shares, which raised funds of RMB 254,999,988.72.

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

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

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

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

As at December 31, 2017, total share capital of the Company was 1,698,245,011 shares, in which there were 1,434,441,780 circulating A shares and 263,803,231 circulating B shares. Chen Lue who holds 582,944,556 A shares, accounting for 34.33% of the total share capital, is the Company's controlling shareholder and actual controller.

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

The financial statements have been approved by the Board of Directors on August 31, 2018.

As at June 30, 2018, subsidiaries within the scope of the consolidated financial statements of the Company are as follows:

Invested units
Changzhi Shenzhou Laodingshan Industrial Co., Ltd.
Xiangfen County Taoshan Construction Co., Ltd.
Sino Great Wall (Xihua) Economic Development Zone Investment Co., Ltd.
Liupanshui Central People's Hospital Investment Co., Ltd.
Sino Zhigu Industrial (Yueyang) Co., Ltd.
Sino Great Wall Guangxia (Wuhan) Medical Development Co., Ltd.
Sino Great Wall Infrastructure Investment Co., Ltd.
Wuhan Commercial Workers Hospital LLC

Sino Great Wall Medical Investment Management Co., Ltd.
Sino Great Wall International Engineering Co., Ltd.
Fujian Sino Great Wall Mingyihui Medical Investment Co., Ltd.
Sino Great Wall Medical Investment (Hubei) Co., Ltd.
Hubei Yuanyaotong Supply Chain Co., Ltd.
Sino Great Wall Medical Management (Inner Mongolia) Co., Ltd.
Sino Great Wall Health Management (Jiangsu) Co., Ltd.
Sino Great Wall New Energy (Beijing) Co., Ltd.
Wu'an Juhe Photovoltaic Power Co., Ltd.
Shanghai Lingrui International Trading Co., Ltd.
Shenzhen Hongtulle Industrial Co., Ltd.
Guangzhou Herabenna Interior Design Co., Ltd.
Sino Great Wall Southwest Engineering Co., Ltd.
Sino Great Wall Southwest Science and Technology Co., Ltd.
Sino Great Wall Southwest Commercial and Trading Co., Ltd.
Sino Great Wall Southwest Engineering Design Co., Ltd.
Shenzhen Yatian Decoration Design Engineering Co., Ltd.
Sino Great Wall Decoration and Design Co., Ltd.
Suzhou Lvbang Wood Industry Technology Co., Ltd.
Huichang County Zhongcheng Construction Engineering Co., Ltd.
Sino Great Wall Zhihui Housing Property (Zhanjiang) Co., Ltd.
Great Wall Biaodian Energy Co., Ltd.
Kunming Sino Forest Industry Development Co., Ltd.
Sino Great Wall Development (Hengqin) Co., Ltd.
Sino Great Wall Construction Construction Co., Ltd.
Sino Great Wall Real Estate (Hubei) Co., Ltd.
SGW America LLC
Sino Great Wall Group Co., Limited
Far eastern international engineering company, LLC
Sino Great Wall(Philippines) International Corporation
Sino Wai Man International Engineering Limited
Sino Great Wall (HK) Property Co., Limited
SGW HPEngineeringConstructionSDN.BHD (Malaysia)
SGW VENTURES SDN.BHD.
SGW CONSTRUCTION (LANGKAWI) SDN.BHD.
Alor Vista Development Sdn Bhd
SINO GREAT WALL GENERAL TRADING & CONTRACTING CO.LTD(Kuwait Co.)
Shenzhou Changcheng (Lao) Co.,Ltd
Sino Great Wall Group (UK) Co., Limited
Sino Great Wall International Engineering(MM) Co.,Ltd

Sino Great Wall International Engineering Co.,Ltd(Maldives Co.)
Inrich Me Engineering Co.,Ltd (HK)
SINO GREAT WALL INTERNATIONAL ENGINEERING(MACAU) CO.,LIMITED
Sino Great WallInternationalEngineering(Thailand) Co.,Ltd.
Sino Great Wall International Engineering(CNMI) Co.,LLC.
SINO GREAT WALL (USA) .INC
PT.SINO GREAT WALL INVESTMENT INDONESIA
PT.SINO GREAT WALL CONSTRUCTION INDONESIA
Acura Kliniken Baden-Baden GmbH
Wuhan Huayue Pharmaceutical Co., Ltd.

IV. Basis for the preparation of financial statements

1. Basis for the preparation

The Company has prepared financial statements based on sustained operation as basis, according to the transactions and matters having occurred actually, and in accordance with the Accounting Standards for Business Enterprises – Basic Rules, various detailed accounting rules, Guidelines for Application of Accounting Standards for Business Enterprises, Interpretation of Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter jointly referred to as —Accounting Standards for Business Enterprises), as well as the disclosure provisions of the Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No.15 – General Provisions on Financial Report issued by China Securities Regulatory Commission.

2. Continuous operation.

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

V. Significant accounting policies and accounting estimates

Specific accounting policies and accounting estimates tips:

Nil

1. Statement on the Accounting Standard Followed by the Company

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

2. Fiscal Year

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

3. Operating cycle

The Company has an operating cycle of 12 months.

4. Functional currency

The Company adopts RMB as recording currency.

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

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

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

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

6. Preparation method for consolidated financial statements

1. Scope of consolidation

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

2. Procedures for consolidation

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

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

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

(1) Increase in subsidiaries or business

During the reporting period, if the Company increased subsidiaries or business from business combinations under common control, the beginning balance of the consolidated balance sheet shall be adjusted; the incomes, expenses and profits from the beginning of the current year of the combinations of the subsidiaries or business to the end of the reporting period shall be included in the consolidated income statement; cash flows from the beginning of the

current year of the combinations of the subsidiaries or business to the end of the reporting period shall be included in the consolidated statement of cash flows. Relevant items in the comparative financial statements of the subsidiaries shall be adjusted accordingly, as if the reporting entity after the business combination exists when the ultimate controller starts its control.

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

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

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

(2) Disposal of subsidiaries or business

A .General method of disposal

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

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

B .Disposal of subsidiaries by stages

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

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

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

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

accounting treatment shall be made according to general treatment methods for disposal of subsidiaries.

(3) Purchase of minority equity of subsidiaries

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

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

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

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

8. Recognition Standard of Cash & Cash Equivalents

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

9. Foreign currency transactions and translation of foreign currency statements

1. Foreign currency transactions

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

The balance of foreign currency monetary items as at the balance sheet date are translated at the spot exchange rate on the balance sheet date and the exchange differences arising therefrom shall be included in the current profit and loss, except those exchange differences arising from the special borrowings of foreign currency related to the acquired and constructed assets qualified for capitalization that will be capitalized at the borrowing expenses.

2. Translation of foreign currency statements

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

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

10. Financial instruments

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

1. Classification of financial instruments

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

2. Recognition basis and measurement method of financial instruments

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

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

The interest or cash dividends to be received during the holding period is or are recognized as investment income.

Change in fair values is included in the current profit and loss at the end of the period.

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

(2) Held-to-maturity investments

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

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

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

(3) Receivables

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

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

(4) Available-for-sale financial assets

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

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

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

(5) Other financial liabilities

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

3. Recognition and measurement of transfer of financial assets

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

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

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

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

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

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

4 .Derecognition criteria of financial liabilities

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

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

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

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

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

Where there is an active market for financial instruments, the fair values shall be recognized at quoted prices in the active market. Where there is no active market, the fair values shall be recognized with valuation techniques.

At the time of valuation, the Company adopts the techniques that are applicable in the current situation and supported by enough available data and other information, selects the input values consistent with the features of assets or liabilities considered by market participants in relevant asset or liability transactions, and gives priority to using relevant observable inputs. Unobservable inputs are used only under the circumstance when it is impossible or unobservable inputs to obtain relevant observable inputs.

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

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

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

If the fair value of available-for-sale financial assets has significantly declined at the end of the period, or it is expected that the trend of decrease in value is non-temporary after considering of various relevant factors, the impairment shall be recognized, and accumulated losses from decreases in fair value originally and directly included in owners' equity shall be all transferred out and recognized as impairment loss.

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

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

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

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

11. Accounts receivable

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

The judgment basis for significant single-item amount or standard for significant amount	The Company recognizes accounts receivable for a single project with the balance more than RMB 10 million (inclusive) and other accounts receivable from a single relevant unit with
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	the balance more than RMB 2 million (inclusive) as accounts receivable with significant single amount.
The method of separate provision for bad debts of the accounts receivable with significant single-item amount	On the date of balance sheet, the Company will carry out impairment test independently for accounts receivable with significant single amount. If such accounts receivable are proved impairing through the test, the Company will determine the impairment loss and withdraw bad debt reserve according to the balance that the present value of its future cash flow is lower than its book value. The accounts receivable not impairing as proved in single test, will, together with the accounts receivable with insignificant single amount, be divided into many portfolios according to similar credit risk characteristics. Then according to certain proportion of the balance on the date of balance sheet of the portfolios of these accounts receivable, the Company will calculate and determine impairment loss and withdraw bad debt reserve.

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

Group name	Method
Combination of affiliated parties within the range of consolidation	Account age analysis method

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

√Applicable □Not applicable

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

Accounts on percentage basis in group:

□ Applicable √Not applicable

Accounts on other basis in group:

□ Applicable √Not applicable

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

Reason for separate provision for bad debts	On the date of balance sheet, for the other accounts receivable with insignificant single amount and having obvious sign of impairment, the Company will determine impairment loss and
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	withdraw bad debt reserve according to the balance that the present value of their future cash flow is lower than their book value.
Method of provision for bad debts	On the date of balance sheet, the Company will execute impairment test of the accounts receivable with insignificant single amount but having bad debt reserve withdrawn separately. If such accounts receivable are proved impairing during the test, the Company will determine impairment loss and withdraw bad debt reserve according to the balance that the present value of their future cash flow is lower than their book value.

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

12. Inventories

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

Yes

Civil Engineering Construction

1. Classification of inventories

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

2. Valuation method of inventories dispatched

The inventories are measured at weighted average method when dispatched.

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

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

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

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

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

4. Inventory system

Perpetual inventory system is adopted.

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

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

13. Assets held for sale

The Company classifies the non-current assets or disposal group meeting the following conditions as assets held for sale:

(1) Based on the practice of selling such assets or disposal groups in similar transactions, they can be sold immediately under current conditions;

(2) The sale is very likely to happen, that is, the Company has already made a resolution on a sales plan and obtained an assuring purchase commitment and it is expected that the sale will be completed within one year. Where regulations require the approval of relevant power organ or regulatory department of the Company before they can be sold, the approval has been obtained.

14. Long-term equity investment

1. Standards for joint control and significant influence

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

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

2. Recognition of initial investment costs

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

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

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

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

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

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

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

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

3. Subsequent measurement and recognition of gains and losses

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

Long-term equity investments in subsidiaries are accounted for under the cost method. Except for the actual price

paid for acquisition of investment or the cash dividends or profits contained in the consideration which have been declared but not yet distributed, the Company recognizes the investment income in the current year at the cash dividends or profits declared by the investee.

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

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

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

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

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

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

(3) Disposal of long-term equity investments

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

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

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

changes in other owner's equity other than net profit or loss, other comprehensive income and profit distribution should all transferred to the current profit and loss when the equity method confirmed is no longer adopted.

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

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

15. Investment real estate

The measurement mode of investment property

Cost measurement

Depreciation or amortization method

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

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

16. Fixed assets

1. Fixed asset recognition conditions

Fixed assets indicate the tangible assets held for producing goods, rendering labor services, leasing or operation management, and having a service life of more than one fiscal year. No fixed asset may be recognized unless it simultaneously meets the conditions as follows:

- (1) The economic benefits pertinent to the fixed asset are likely to flow into the enterprise;
- (2) The cost of the fixed asset can be measured reliably.

2. Depreciation method

Type	Depreciation method	Expected useful life (Year)	Estimated residual value rate	Annual depreciation rate (%)
House and Building	Straight-line method	20	5.00	4.75
Machinery and equipment	Straight-line method	10	5.00	9.50

Transportation equipment	Straight-line method	7	5.00	13.57
Electronic equipment and other equipment	Straight-line method	3-5	5.00	19.00-31.67

3.Cognizance evidence and pricing method of financial leasing fixed assets

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

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

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

17.Construction in process

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

18.Borrowing costs

1.Recognition principles of capitalization of borrowing costs

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

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

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

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

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

2.Capitalization period of borrowing costs

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

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

When some projects among the acquired and constructed or produced assets eligible for capitalization are

completed and can be used separately, the capitalization of borrowing costs of such projects should be ceased.

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

3.Period of capitalization suspension

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

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

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

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

19.Biological Assets

Nil

20.Oil & gas assets

Nil

21..Intangible assets

(1) Valuation method, service life and impairment test

1.Measurement method of intangible assets

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

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

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

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

(2) Subsequent measurement

The useful lives of intangible assets are analyzed on acquisition.

For intangible assets with definite useful lives, the Company shall adopt the straight-line method for amortization within the period during which they can bring economic benefits to the Company; where the period during which they can bring economic benefits to the Company cannot be forecast, those intangible assets shall be deemed as

assets with indefinite lives and no amortization will be made.

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

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

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

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

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

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

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

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

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

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

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

(2) Internal research and development expenditure accounting policy

Nil

22. Impairment of long-term assets

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

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

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

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

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

23. Long-term deferred expenses

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

1. Amortization method

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

2. Amortization years

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

24. Employee compensation

1. Accounting treatment of short-term compensation

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

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

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

2. Accounting treatment of post-employment benefits

Defined contribution plans

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

3. Accounting treatment of dismissal benefits

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

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

Nil

25. Estimated liabilities

1. Recognition criteria for estimated liabilities

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

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

2.Measurement of estimated liabilities

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

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

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

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

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

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

26.Share-based payments

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

Where equity-settled share-based payments are exchanged for providing services by employees, their fair values are measured at those of employees' equity instruments. Where the Company makes share-based payments in restricted stocks and the employee makes capital contributions to subscribe such shares, such shares should not be circulated or transferred before they reach unlocked conditions and before they are unlocked; if the unlocked conditions specified in the final equity incentive plan fail to be reached, then the Company should repurchase the shares at the price agreed in advance. When the Company received the payment of the employee for the subscription of restricted stocks, it should recognize share capital and capital reserves (share premiums) in accordance with the payment for subscription received. The Company should fully recognize a liability at the repurchase obligations and recognize treasury stock at the same time. On each balance sheet date within the vesting period, the Company will, based on the newly-acquired subsequent information such as the changes in the number of the vested employees and whether the specified performance is reached, make the best estimate on the number of the vesting equity instruments. On such basis, the services received in the current period should be included in the relevant cost or expenses according to fair value on the date of grant and capital reserves should be accordingly increased. No adjustments should be made to the recognized relevant costs or expenses and total owners' equity after the vesting date. However, when the right can be exercised immediately after the grant, it should be included in the relevant costs or expenses at the fair value on the date of grant. The capital reserves should be increased accordingly.

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

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

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

original equity instruments.

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

Nil

28.Revenue

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

Yes

Civil Engineering Construction

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

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

- (1) The significant risk and the rewards of the goods ownership has been transferred to the Buyer by the Company.
- (2) The Company neither reserves the continuous management right which is generally associated with ownership nor carries out effective control of sold commodities.
- (3) Related income amount can be measured in a reliable way;
- (4) The relevant economic benefits may flow into the Company;
- (5) Relevant costs occurred or to be occurred can be measured in a reliable way.

2. Specific principles

(1) Service revenue

The service revenue provided by the Company mainly refers to the revenue of engineering design. In case that the results from provision of labor transactions can be estimated reliably, the revenue shall be recognized as per the important milestones specified by the design contract. Namely, the revenue is recognized as per the percentage of the workload of important milestones of the completed design in the total design workload and the expected recoverable contract amount.

If the result of providing service transaction cannot be estimated in a reliable way, the service revenue shall be determined according to the service costs which has generated and expected to be compensated. The existing service costs are calculated as the period charges. When it is not probable that the costs incurred will be recovered, revenue is not recognized.

Provided that sales of commodity and provision of labor can be distinguished and separately measured in the contract or agreement signed by the Company with other enterprises, sales of commodity and provision of labor shall be separately disposed. Provided that sales of commodity and provision of labor cannot be distinguished, or can be distinguished but cannot be separately measured, the entire contract shall be disposed as sales of commodity.

(2) Income from construction contracts

Under the circumstance that the outcome of a construction contract can be estimated in a reliable way, the contract revenue and the contract costs shall be recognized in light of the percentage-of- completion method on the date of the balance sheet. The percentage of completion is determined in the proportion of the accumulated actual contract costs among the estimated total contract costs.

If the outcome of a contraction contract cannot be estimated in a reliable way, but the contract costs can be recovered, the contract revenue shall be recognized in accordance with the recoverable actual contract costs and the contract costs shall be recognized as contract expenses in the current period they are incurred; if the contract

costs cannot be recovered, they shall be recognized as contract expenses immediately when they are incurred and no contract revenue shall be recognized. If uncertainties, due to which the outcome of a construction contract cannot be measured in a reliable way, have passed out of existence, the revenues and expenses pertinent to the construction contract shall be determined in the percentage-of-completion method.

If the estimated total contract costs exceed the total contract revenue, the estimated loss is recognized as the expenses for the period.

The cost and the gross profit (loss) accumulatively incurred and recognized of a construction-in-progress contract and the settled price are presented in the balance sheet with a net amount after offset. The part of the sum of the cost and the gross profit (loss) accumulatively incurred from a construction-in-progress contract exceeding over the settled contract price is presented as inventory; and the part of the settled contract price exceeding over the cost and the gross profit (loss) accumulatively incurred from a construction-in-progress is presented as advance payment.

(3) Recognized income of hospital business

The income of hospital mainly comes from the outpatient and inpatient departments, and the income recognition is done at the time of patient's settlement.

For the outpatient income, as the patients turning to the outpatient treatment do not need the inpatient treatment generally, the treatment duration is short, the settlement is made with the hospital at the end of the treatment and treatment and medicine expense is paid. Financially, such outpatient income shall be recognized at the day of receipt.

For the inpatient income, as the patient needs to be treated in the hospital for a certain period and a part of the medical expense shall be prepaid when be admitted to hospital, the inpatient income shall not be recognized at this moment. When discharging from the hospital, the patient will settle the medical expense for the hospitalization and the hospital will issue the invoice to the patient. In such case, the income from the inpatient is recognized financially.

29. Government subsidies

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

1. Type

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

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

2. Timing of recognition

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

3. Accounting treatment

Governmental subsidy related to assets will be used to write down the book value of relevant assets or be confirmed as deferred income. If being confirmed as deferred income, the governmental subsidy will be recorded in the gain or loss of the current period within the service life of relevant assets with reasonable and systematic methods (if being related to the Company's daily activities, the governmental subsidy will be recorded in other benefits; if not, they will be recorded in non-operating income).

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

The governmental subsidy related to income, if being used to compensate the Company's relevant cost expenses or losses in later period, will be confirmed as deferred income, and be recorded in the gain or loss of the current period (if being related to the Company's daily activities, the governmental subsidy will be recorded in other benefits; if not, they will be recorded in non-operating income) or be used to write down relevant cost expenses or losses during the period of confirmation on relevant cost expenses or losses; if being used to compensate the Company's relevant cost expenses or losses already incurred, the governmental subsidy will be directly recorded in the gain or loss of the current period (if being related to the Company's daily activities, the governmental subsidy will be recorded in other benefits; if not, they will be recorded in non-operating income) or be used to write down relevant cost expenses or losses.

30. Deferred income tax assets and deferred income tax liabilities

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

Taxable temporary differences are recognized as deferred income tax liabilities except in special circumstances. Such special circumstances include: the initial recognized of goodwill; other transactions or events that are not a business combination and affect neither accounting profit nor taxable profit (tax loss).

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

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

31. Leases

1. Accounting treatment of operating leases

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

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

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

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

2. Accounting treatment of finance leases

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

(2) Assets leased under finance leases: On the lease beginning date, the Company recognizes the difference of

finance leasing receivables plus unguaranteed residual value and their present value as unrealized financing income and recognized the unrealized financing income as rental income in each period when the rents will be received in the future. The initial direct expenses of the Company related to lease are included into the initial measurement of financing lease payment receivable, and the income recognized in lease period is decreased accordingly.

32. Other significant accounting policies and estimates

Nil

33. Change of main accounting policies and estimations

(1) Change of main accounting policies

Applicable Not applicable

Content and reasons for changes in accounting policies	Approval procedure	Rremark

(2) Change of main accounting estimations

Applicable Not applicable

34. Other

VI. Taxation

1. Main categories and rates of taxes

Tax type	Tax basis	Tax rate(%)
VAT	The output tax is calculated based on taxable income in accordance with tax laws, and value added tax payable should be the balance of the output tax after deducting the deductible input tax for the current year	0、3、6、11、17
Sales tax	Paid based on the actual business tax, VAT and consumption tax paid	
Urban maintenance and construction tax	Paid as per the turnover tax paid actually.	1、5、7
Enterprise income tax	Calculated and paid at turnover tax actually paid.	15、25

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

Name of taxpayer	Income tax rates
Changzhi Shenzhou Laodingshan Industrial Co., Ltd.	25%
Xiangfen County Taoshan Construction Co., Ltd.	25%
Sino Great Wall (Xihua) Economic Development Zone Investment Co., Ltd.	25%

Liupanshui Central People's Hospital Investment Co., Ltd.	25%
Sino Zhigu Industrial (Yueyang) Co., Ltd.	25%
Sino Great Wall Guangxia (Wuhan) Medical Development Co., Ltd.	25%
Sino Great Wall Infrastructure Investment Co., Ltd.	25%
Wuhan Commercial Workers Hospital LLC	25%
Sino Great Wall Medical Investment Management Co., Ltd.	25%
Sino Great Wall International Engineering Co., Ltd.	15%
Fujian Sino Great Wall Mingyihui Medical Investment Co., Ltd.	25%
Sino Great Wall Medical Investment (Hubei) Co., Ltd.	25%
Hubei Yuanyaotong Supply Chain Co., Ltd.	25%
Sino Great Wall Medical Management (Inner Mongolia) Co., Ltd.	25%
Sino Great Wall Health Management (Jiangsu) Co., Ltd.	25%
Sino Great Wall New Energy (Beijing) Co., Ltd.	25%
Wu'an Juhe Photovoltaic Power Co., Ltd.	25%
Shanghai Lingrui International Trading Co., Ltd.	25%
Shenzhen Hongtulve Industrial Co., Ltd.	25%
Guangzhou Herabenna Interior Design Co., Ltd.	25%
Sino Great Wall Southwest Engineering Co., Ltd.	25%
Sino Great Wall Southwest Science and Technology Co., Ltd.	25%
Sino Great Wall Southwest Commercial and Trading Co., Ltd.	25%
Sino Great Wall Southwest Engineering Consultation Co., Ltd.	25%
Sino Great Wall Decoration and Design Co., Ltd.	25%
Suzhou Lvbang Wood Industry Technology Co., Ltd.	25%
Huichang County Zhongcheng Construction Engineering Co., Ltd.	25%
Sino Great Wall Zhihui Housing Property (Zhanjiang) Co., Ltd.	25%
Great Wall Biaodian Energy Co., Ltd.	25%
Kunming Sino Forest Industry Development Co., Ltd.	25%
Sino Great Wall Development (Hengqin) Co., Ltd.	25%
Sino Great Wall Construction Engineering Co., Ltd.	25%
Sino Great Wall Real Estate (Hubei) Co., Ltd.	25%

SGW America LLC	21%
Sino Great Wall Group Co.,Limited	17%
Far eastern international engineering company,LLC	20%
Sino Great Wall(Philippines) International Corporation	30%
Sino Wai Man International Engineering Limited	12%
Sino Great Wall (HK) Property Co., Limited	17%
SGW HPEngineeringConstructionSDN.BHD (Malaysia)	24%
SGW VENTURES SDN.BHD. (Venture Company)	24%
SGW CONSTRUCTION (LANGKAWI) SDN.BHD.	24%
Alor Vista Development Sdn Bhd	24%
SINOGREATWALLGENERALTRADING&CONTRACTING CO.LTD(Kuait)	15%
Shenzhou Changcheng (Lao) Co.,Ltd	25%
Sino Great Wall Group (UK) Co.,Limited	19%
Sino Great Wall International Engineering(MM) Co.,Ltd	25%
Sino Great Wall International Engineering Co.,Ltd(Maldives)	0%
Inrich Me Engineering Co.,Ltd(HK)	17%
SINO GREAT WALL INTERNATIONAL ENGINEERING(MACAU) CO.,LIMITED	12%
Sino Great WallInternationalEngineering(Thailand) Co.,Ltd.	20%
Sino Great Wall International Engineering(CNMI) Co.,LLC.	21%
SINO GREAT WALL (USA) .INC	21%
PT.SINO GREAT WALL INVESTMENT INDONESIA	25%
PT.SINO GREAT WALL CONSTRUCTION INDONESIA	25%
Acura Kliniken Baden-Baden GmbH	19%
Wuhan Huaye Pharmaceutical Co., Ltd.	25%

2. Tax preferences

3. Other

VII. Notes to the major items of consolidated financial statement

1. Cash and bank balances

In RMB

Items	Year-end balance	Year-beginning balance
Cash on hand	5,289,118.55	4,614,087.16

Bank deposit	252,706,397.26	642,608,503.33
Other monetary capital	1,116,601,593.69	957,751,325.63
Total	1,374,597,109.50	1,604,973,916.12
Including: Total amount deposited abroad	77,277,614.52	221,610,258.90

Other notes

Thereinto, the details of monetary capitals with restrictive use due to mortgage, pledge or freezing etc. and restrictive monetary capitals depositing in overseas and repatriation are as follows:		
	Current amount	Last amount
Bank acceptance guarantee deposit	278,488,640.49	349,043,551.56
Guarantee bond	537,808,990.13	555,665,432.94
Performance bond		
Fixed time deposits or call deposits used for guarantee	300,000,000.00	50,000,000.00
Overseas funds with limited remittance		22,098.66
Bond for wages of migrant workers	303,963.07	3,020,242.47
Total	1,116,601,593.69	957,751,325.63

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

In RMB

Items	Year-end balance	Year-Beginning balance
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Other notes:

3. Derivative financial assets

 Applicable Not applicable

4. Note receivables

(1) Classification Note receivable

In RMB

Items	Year-end balance	Year-beginning balance
Bank acceptance bill	4,710,772.96	15,544,160.00
Commercial acceptance bill	387,317,772.50	272,657,402.88
Total	392,028,545.46	288,201,562.88

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

(3) Notes receivable endorsed or discounted by the Company as at June 30,2018 but not expired on the balance sheet date

In RMB

Items	Amount derecognized as at June 30,2018	Amount underecognized as at June 30,2018
Bank acceptance bill	5,710,000.00	
Commercial acceptance bill		260,000,000.00
Total	5,710,000.00	260,000,000.00

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

In RMB

Items	Amount
Commercial acceptance bill	0.00
Total	0.00

Other notes

5. Account receivable

(1) Classification account receivables.

In RMB

Category	Amount in year-end					Amount in year- begin				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Receivables subject to provision for bad debts on credit risk characteristics basis	5,648,176,303.16	100.00%	616,711,352.04	10.92%	5,031,464,951.12	6,332,915,727.57	100.00%	626,240,483.49	9.89%	5,706,675,244.08
Total	5,648,176,303.16	100.00%	616,711,352.04	10.92%	5,031,464,951.12	6,332,915,727.57	100.00%	626,240,483.49	9.89%	5,706,675,244.08

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

Applicable Not applicable

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

Applicable Not applicable

In RMB

Aging	Balance in year-end		
	Account receivable	Bad debt provision	Proportion(%)
Subitem Within 1 year			
Subtotal within 1 year	3,910,816,346.90	195,540,817.35	5.00%
1-2 years	1,103,635,029.32	110,363,502.93	10.00%
2-3 years	309,067,975.44	92,720,392.63	30.00%
3-4 years	161,130,166.66	80,565,083.33	50.00%
4-5 years	130,026,145.20	104,020,916.16	80.00%
Over 5 years	33,500,639.64	33,500,639.64	100.00%
Total	5,648,176,303.16	616,711,352.04	

Notes of the basis of recognizing the group:

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

In the groups, accounts receivable adopting balance percentage method to withdraw bad debt provision:

Applicable Not applicable

In the groups, other accounts receivable adopting other methods to accrue bad debt provision:

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

The current amount of provision for bad debts is 121,993,522.74.; recovery or payback for bad debts Amount is RMB113,587,478.57.

Significant amount of reversed or recovered bad debt provision:

In RMB

Name	Amount	Recovery mode
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(3) Receivable accounts actually written off in the report period

In RMB

Items	Amount
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The significant actual write-off accounts receivable:

In RMB

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

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

Name	Amount in year-end		
	Account receivable	Proportion(%)	Bad debt provision
China Harbour Engineering Company Ltd.	1,003,444,178.47	17.77%	118,482,837.94
POWERCHINA Construction Group Ltd.	649,904,063.29	11.51%	56,522,378.64
Oxley Diamond (Cambodia) Co., Ltd	441,911,888.95	7.82%	22,095,594.45
Cambodia petrochemical co. LTD	370,449,132.48	6.56%	18,522,456.62
Henan Henan No.1 Thermal Power Construction Co., Ltd.	338,259,078.47	5.99%	44,283,837.21
Total	2,803,968,341.66	49.64%	259,907,104.86

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

Nil

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

Nil

Other notes:

6. Prepayments

(1) Age analysis

In RMB

Age	Balance in year-end		Balance in year-begin	
	Book balance	Proportion(%)	Book balance	Proportion(%)
Within 1 year	201,642,321.00	93.85%	212,854,246.00	94.51%
1-2 years	8,978,204.28	4.18%	11,257,454.64	5.00%
2-3 years	3,425,120.00	1.59%	903,997.25	0.40%
Over 3 years	803,641.00	0.37%	192,829.99	0.09%
Total	214,849,286.28	--	225,208,527.88	--

Notes:

(2) Top 5 of the closing balance of the prepayment collected according to the prepayment target

Name	Balance in year-end	Proportion
Boer Construction Group Co., Ltd.	25,000,000.00	11.64%
Firstunited General Trading and Contracting Co., Ltd.	23,828,617.02	11.09%
Jiangsu Juye Construction Group Co., Ltd.	23,610,627.75	10.99%
Zhanjiang Construction Engineering Co., Ltd.	22,000,000.00	10.24%
China Harbor Engineering Company Ltd.	9,086,405.77	4.23%
Total	103,525,650.54	48.19%

Other notes

7. Interest receivable

(1) Classification Interest receivable

In RMB

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

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

8. Dividend receivable

(1) Dividend receivable

In RMB

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

In RMB

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

9. Other accounts receivable

(1) Other accounts receivable disclosed by category

In RMB

category	Amount in year-end					Amount in year- begin				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other accounts receivable with bad debt reserve withdrawn as per the portfolio of credit risk characteristics	1,605,120,595.84	100.00%	160,435,236.36	10.57%	1,444,685,359.48	1,820,332,846.84	100.00%	145,657,486.56	8.07%	1,674,675,360.28
Total	1,605,120,595.84	100.00%	160,435,236.36	10.57%	1,444,685,359.48	1,820,332,846.84	100.00%	145,657,486.56	8.07%	1,674,675,360.28

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

Applicable Not applicable

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

Applicable not applicable

In RMB

Aging	Amount in year-end		
	Account receivable	Bad debt provision	Rate of allowance(%)
Within item 1 year			
Subtotal within 1 year	1,164,638,654.14	58,231,932.71	5.00%
1-2 years	291,252,077.07	29,125,207.71	10.00%
2-3 years	63,835,516.06	19,150,654.82	30.00%
3-4 years	51,431,754.33	25,715,877.17	50.00%
4-5 years	28,755,151.40	23,004,121.12	80.00%
Over 5 years	5,207,442.84	5,207,442.84	100.00%
Total	1,605,120,595.84	160,428,855.19	

Notes:

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

Applicable Not applicable

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

Applicable Not applicable

(2) Bad debt provision accrual collected or switch back

Bad debt provision accrual was 46,811,290.99, the account collected or switches back amounting to RMB 51,033,460.50.

Significant amount of reversed or recovered bad debt provision:

In RMB

Name	Amount	Recovery mode
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(3) Other account receivables actually cancel after write-off

In RMB

Items	Amount
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Of Which, Other receivable write-off:

In RMB

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

(4) Other account receivables category by nature of money

In RMB

Nature	Ending book balance	Beginning book balance
Bidding margins, performance bonds and deposits	536,673,592.03	564,988,488.94
Petty cash and current accounts between individuals	62,671,091.79	45,065,829.65
Current accounts between entities	980,808,214.24	1,191,088,012.16
Others	24,967,697.78	19,190,516.09
Total	1,605,120,595.84	1,820,332,846.84

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

In RMB

Name	Nature	Year-end balance	Age	Portion in total other	Bad debt provision of year-end
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				receivables(%)	balance
China Electric Power Construction Group Co., Ltd.	Current accounts between entities	241,021,370.60	Within 1 year	15.02%	12,051,068.53
Chengdu Xianglong Real Estate Co., Ltd.	House payment and performance bond	115,452,000.00	1-2 years	7.19%	10,390,680.00
Qingyuan HefengNew Energy Technology Co., Ltd.	Current accounts between entities	75,000,000.00	Within 1 year	4.67%	22,500,000.00
PT.WANXIANG NICKEL INDONESIA	Current accounts between entities	68,000,000.00	Within 1 year	4.24%	6,800,000.00
Hebei Xuxing Industry Co., Ltd.	Deposit	55,000,000.00	1-2 years	3.43%	5,500,000.00
Total	--	554,473,370.60	--	34.55%	57,241,748.53

(6) Account receivables with government subsidies involved

In RMB

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

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

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

Other Notes

10.Inventory

(1) Inventory types

In RMB

Items	Year-end balance			Year-beginning balance		
	Book Balance	Provision for bad debts	Book value	Book Balance	Provision for bad debts	Book value

Raw materials	0.00			1,810,694.49		1,810,694.49
Processing products	0.00					
Stock goods	24,579,210.44	24,713.28	24,554,497.16	9,328,819.66		9,328,819.66
Construction contract has been completed unsettled assets	680,009,952.10	5,051,867.60	674,958,084.50	516,478,683.84	5,051,867.60	511,426,816.24
Development cost	45,943,136.51		45,943,136.51	34,272,995.11		34,272,995.11
Total	750,532,299.05	5,076,580.88	745,455,718.17	561,891,193.10	5,051,867.60	556,839,325.50

Whether the company is required to comply with the "Shenzhen Stock Exchange Industry Information Disclosure Guidelines No. 4 - listed companies engaged in seed industry, planting business" disclosure requirements

No

(2) Inventory depreciation reserve

In RMB

Items	Year-beginning balance	Increase		Decrease		
		Accrual	Other	Switch back	Other	
Stock goods		24,713.28				24,713.28
Construction contract has been completed unsettled assets	5,051,867.60					5,051,867.60
Total	5,051,867.60	24,713.28				5,076,580.88

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

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

In RMB

Items	Amount
Accumulated Incurred Cost	20,973,059,511.19
Accumulated Confirmed Gross Profit	5,282,086,405.51
Less: expected loss	5,051,867.60
Settlement Amount	25,575,135,964.60
Unliquidated Completed Assets Formed in the Construction Contract	674,958,084.50

Other notes:

11. Holding assets for sale

In RMB

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

Other notes:

12. Non current assets due within one year

In RMB

Items	Year-end balance	Year-beginning balance

Other notes:

13. Other current assets

In RMB

Items	Year-end balance	Year-beginning balance
Input VAT	16,047,813.14	15,347,777.42
Expense of prepaid income tax		1,779,133.63
Total	16,047,813.14	17,126,911.05

Other notes:

14. Available-for-sale financial assets

(1) Available-for-sale financial assets

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision of impairment	Book value	Book balance	Provision of impairment	Book value
Available-for-sale equity instruments	10,338,500.0 0		10,338,500.0 0	10,338,500.0 0		10,338,500.00
Total	10,338,500.0 0		10,338,500.0 0	10,338,500.0 0		10,338,500.00

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

In RMB

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

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

In RMB

Investee	Book balance				Impairment provision				Shareholding proportion among the investees	Cash bonus of the reporting period
	Period-begin	Increase	Decrease	Period-end	Period-begin	Increase	Decrease	Period-end		
Zhanjiang Construction Engineering	10,338,500.00			10,338,500.00						
Total	10,338,500.00			10,338,500.00					--	

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

In RMB

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

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

In RMB

Item of available-for-sale equity instruments	Investment cost	Ending fair value	Falling scope of fair value against the cost	Duration of falling (month)	Withdrawn impairment amount	Reason for not withdrawing the impairment
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Other notes

15. Held-to-maturity investment

(1) Held-to-maturity investment

In RMB

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

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

In RMB

Project	Face value	Interest rate	Actual interest rate	Expiring date

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

Other notes

16. Long-term account receivables

(1) Long-term account receivables

In RMB

Items	End of term			Beginning of term			Range of rate
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value	
Long-term account receivable	16,151,975.9 4		16,151,975.9 4	14,328,557.8 2		14,328,557.8 2	
Total	16,151,975.9 4		16,151,975.9 4	14,328,557.8 2		14,328,557.8 2	--

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

Nil

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

Nil

Other notes

17. Long-term equity investment

In RMB

Investees	Opening balance	Increase/decrease								Closing balance	Closing balance of impairment provision	
		Add investment	Decreased investment	Gain/loss of Investment	Adjustment of other comprehensive income	Other equity changes	Declaration of cash dividends or profit	Withdrawn impairment provision	Other			
I. Joint ventures												
Investment in subsidiaries	3,311,211,536.66										3,311,211,536.66	
Subtotal	3,311,211,536.66										3,311,211,536.66	
II. Associated enterprises												
Total	3,311,211,536.66										3,311,211,536.66	

Other notes

18. Investment real estate

(1) Investment real estate by cost measurement

Applicable Not applicable

(2) Investment real estate by fair value

Applicable Not applicable

(3) Investment real estate without certificate of ownership

In RMB

Items	Book value	Reason
Nil		

Other notes

19. Fixed assets

(1) List of fixed assets

In RMB

Items	House, building	Machinery equipment	Transportations	Other equipment	Total
I. Original price					
1. Balance at period-beginning	103,857,727.50	99,011,854.51	41,578,019.37	14,847,444.63	259,295,046.01
2. Increase in the current period	356,522,059.87	43,060,321.63	2,521,107.64	15,313,102.76	417,416,591.90
(1) Purchase	45,846.63	7,846,107.26	1,647,091.29	540,002.07	10,079,047.25
(2) Transferred from construction in progress					
(3) Increased of Enterprise Combination	356,476,213.24	35,214,214.37	874,016.35	14,773,100.69	407,337,544.65
3. Decreased amount of the period	1,285,304.99	5,169.60	820,859.82	2,111.28	2,113,445.69
(1) Disposal	1,285,304.99	5,169.60	820,859.82	2,111.28	2,113,445.69
4. Balance at period-end	459,094,482.38	142,067,006.54	43,278,267.19	30,158,436.11	674,598,192.22
II. Accumulated depreciation					
1. Opening balance	19,725,422.54	32,621,369.35	20,803,056.53	11,608,047.03	84,757,895.45
2. Increased amount of the period	204,188,862.41	39,081,555.76	2,193,383.65	13,357,314.31	258,821,116.13
(1) Withdrawal	5,102,324.52	5,827,473.63	1,631,901.79	1,015,611.08	13,577,311.02
(2) other	199,086,537.89	33,254,082.13	561,481.86	12,341,703.23	245,243,805.11
3. Decrease in the reporting period	58,155.48		345,934.83	2,005.52	406,095.83
(1) Disposal	58,155.48		345,934.83	2,005.52	406,095.83

4.Closing balance	223,856,129.47	71,702,925.11	22,650,505.35	24,963,355.82	343,172,915.75
III. Impairment provision					
1.Opening balance					
2.Increase in the reporting period					
(1) Withdrawal					
3.Decrease in the reporting period					
(1) Disposal					
4. Closing balance					
IV. Book value					
1.Book value of the period-end	235,238,352.91	70,364,081.43	20,627,761.84	5,195,080.29	331,425,276.47
2.Book value of the period-begin	84,132,304.96	66,390,485.16	20,774,962.84	3,239,397.60	174,537,150.56

(2) Fixed assets temporarily idled

In RMB

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

(3) Fixed assets rented by finance leases

In RMB

Items	Original book value	Accumulated depreciation	Accumulated depreciation	Book value
House Building	14,392,016.02	12,499,205.18	0.00	1,892,810.84
Machinery equipment	41,794,318.20	29,583,792.38	0.00	12,210,525.82

(4) Fixed assets leased in the operating leases

In RMB

Items	End book value
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(5) Fixed assets without certificate of title completed

In RMB

Items	Book value	Reason
International engineering	34,640,848.79	Being processed
Suzhou plant	8,982,474.09	Being processed

Other notes

20. Project under construction

(1) Project under construction

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Provision for devaluation	Book value	Book balance	Provision for devaluation	Book value
Equipment and constructions in progress	707,700.59		707,700.59	4,968,590.96		4,968,590.96
Total	707,700.59		707,700.59	4,968,590.96		4,968,590.96

(2) Changes of significant construction in progress

In RMB

Name	Budget	Amount at year beginning	Increase at this period	Transferred to fixed assets	Other decrease	Balance in year-end	Proportion(%)	Progress of work	Capitalization of interest accumulated balance	Including: Current amount of capitalization of interest	Capitalization of interest ratio (%)	Source of funds
Facilities under install		1,224,800.00		1,224,800.00		0.00						

ation												
Liangdu Central Hospital Project		2,630,910.96	6,077,772.97			8,708,683.93						
Zhigu Project		1,112,880.00	3,774,408.18			4,887,288.18						
Smart House Project			270,700.59			270,700.59						
Commercial hospital			437,000.00			437,000.00						
Total		4,968,590.96	10,559,881.74	1,224,800.00		14,303,672.70	--	--				--

(3) Provision for impairment of construction projects

In RMB

Items	Amount	Reason
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Other notes

21. Engineering Material

In RMB

Items	Closing balance	Opening balance
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Other notes

22. Disposal of fixed assets

In RMB

Items	Closing balance	Opening balance
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Other notes:

23. Productive biological assets

(1) Measured by cost

Applicable Not applicable

(2) Measured by fair value

Applicable Not applicable

24. Oil-and-gas assets

Applicable Not applicable

25. Intangible assets

(1) Information

In RMB

Items	Land use right	Patent	Non-patent Technology	Software	Total
I. Original price					
1. Opening balance	132,460,370.94			4,551,469.92	137,011,840.86
2. Increased amount of the period	44,792,429.91				44,792,429.91
(1) Purchase	222,873.47				222,873.47
(2) Internal Development					
(3) Increased of Enterprise Combination	44,569,556.44				44,569,556.44
3. Decreased amount of the period				16,360.00	16,360.00
(1) Disposal				16,360.00	16,360.00
4. Balance at period-end	177,252,800.85			4,535,109.92	181,787,910.77
II. Accumulated amortization					

1. Balance at period-beginning	6,882,267.85			2,605,128.01	9,487,395.86
2. Increase in the current period	1,094,384.00			401,165.06	1,495,549.06
(1) Withdrawal	1,094,384.00			401,165.06	1,495,549.06
3. Decreased amount of the period					
(1) Disposal					
4. Balance at period-end	7,976,651.85			3,006,293.07	10,982,944.92
III. Impairment provision					
1. Balance at period-beginning					
2. Increase in the current period					
(1) Withdrawal					
3. Decreased amount of the period					
(1) Disposal					
4. Balance at period-end					
4. Book value					
1. Book value at period -end	169,276,149.00			1,528,816.85	170,804,965.85
2. Book value at period-beginning	125,578,103.09			1,946,341.91	127,524,445.00

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

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

In RMB

Items	Book value	Reason
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Other notes:

26. Development expenditure

In RMB

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

27. Goodwill

(1) Original book value of goodwill

In RMB

Name of the investees or the events formed goodwill	Opening balance	Increase	Decrease	Closing balance
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(2) Impairment provision of goodwill

In RMB

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

Other notes:

28. Long-term amortization expenses

In RMB

Items	Balance in year-begin	Increase at this period	Amortization at this period	Decrease	Balance in year-end
Renovation costs	7,029,913.15	0.00	1,977,938.70		5,051,974.45
Overseas guarantee fees	3,095,000.00	0.00	1,040,913.85		2,054,086.15
Guarantee fees	0.00	5,424,544.00	925,165.10		4,499,378.90
Less: Long-term					0.00

deferred expenses due within one year					
Total	10,124,913.15	5,424,544.00	3,944,017.65	0.00	11,605,439.50

Other notes

29. Deferred income tax assets/deferred income tax liabilities

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

In RMB

Items	Balance in year-end		Balance in year-begin	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for asset impairment	777,146,588.40	117,065,718.40	734,228,861.56	133,462,054.67
Total	777,146,588.40	117,065,718.40	734,228,861.56	133,462,054.67

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

In RMB

Items	Balance in year-end		Balance in year-begin	
	Temporarily Deductible or Taxable Difference	Deferred Income Tax liabilities	Temporarily Deductible or Taxable Difference	Deferred Income Tax liabilities
Appraised increment of assets for business combination not under the same control	278,236,528.90	51,894,878.61	104,355,846.82	26,088,961.71
Total	278,236,528.90	51,894,878.61	104,355,846.82	26,088,961.71

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

In RMB

Items	Trade-off between the deferred income tax assets and liabilities	End balance of deferred income tax assets or liabilities after off-set	Trade-off between the deferred income tax assets and liabilities at period-begin	Opening balance of deferred income tax assets or liabilities after off-set
Deferred income tax assets		117,065,718.40		118,233,337.36

Deferred income liabilities		51,894,878.61		26,088,961.71
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(4) Details of income tax assets not recognized

In RMB

Items	End of term	Beginning of term
Deductible provisional differences		11,552,823.18
Deductible losses		3,133,043.61
Total		14,685,866.79

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

In RMB

Year	End of term	Beginning of term	Remark

Other notes:

30 .Other non-current assets

In RMB

Items	Closing balance	Opening balance
PPP project investment	623,524,570.00	610,524,570.00
Advances for purchase of long-term assets	278,480,672.79	283,729,420.79
Other investment	188,562,089.12	175,340,581.32
Total	1,090,567,331.91	1,069,594,572.11

Other notes:

31 .Short-term loans

(1) Category of short-term borrowings

In RMB

Items	End of term	Beginning of term
Pledge borrowings	713,964,614.92	2,137,870,000.00
Mortgage borrowings	43,613,550.00	150,000,000.00
Guaranteed borrowings	1,780,935,316.32	1,189,330,420.55
Commercial acceptance bills endorsed or discounted but not expired on the balance sheet date	260,000,000.00	
Total	2,798,513,481.24	3,477,200,420.55

Notes to short-term borrowings:

(2) Situation of Overdue Outstanding Short-Term Borrowing

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

short-term borrowing was as follows:

In RMB

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

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

In RMB

Items	Closing balance	Opening balance
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Other notes:

33. Derivative financial liabilities

Applicable Not applicable

34. Note payable

In RMB

Type	Closing balance	Opening balance
Commercial acceptance	475,745,011.64	283,190,010.00
Bank acceptance	406,499,093.71	623,407,978.15
Total	882,244,105.35	906,597,988.15

Amount due in next fiscal period is RMB 0.00.

35. Account payable

(1) Account payable

In RMB

Items	Closing balance	Opening balance
Project engineering Fund	1,212,049,028.27	1,704,130,649.60
Payments for purchase of long-term assets		
Payment for purchase of medicines	14,413,189.08	15,448,438.02
Total	1,226,462,217.35	1,719,579,087.62

(2) Significant accounts payable that aged over one year

In RMB

Items	Balance in year-end	The reason for not repaid or carried forward
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Other notes:

36. Accounts received in advance

(1)Accounts received in advance

In RMB

Items	End of term	Beginning of term
Project engineering Fund	127,873,130.27	145,513,588.44
Accounts received in advance	1,178,716.78	866,264.23
Total	129,051,847.05	146,379,852.67

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

In RMB

Items	Closing balance	Reason

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

In RMB

Items	Amount

Other notes:

37. Employee compensation payable

(1)Classification of employee compensation payable

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end
I. Short-term remuneration	20,728,678.96	184,496,842.64	157,373,141.87	47,852,379.73
II. Post-employment benefits - defined contribution plans	1,182,863.11	6,641,104.76	6,757,615.11	1,066,352.76
Total	21,911,542.07	191,137,947.40	164,130,756.98	48,918,732.49

(2) Short-term remuneration

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end
1. Wages, bonuses,	20,123,644.40	158,998,753.48	132,734,677.09	46,387,720.79

allowances and subsidies				
2. Employee welfare		13,049,019.18	12,296,647.62	752,371.56
3. Social insurance premiums	596,755.82	8,448,938.02	8,469,807.65	575,886.19
Including: Medical insurance	501,699.51	8,003,871.21	8,026,724.98	478,845.74
Work injury insurance	22,668.30	105,889.90	102,612.16	25,946.04
Maternity insurance	72,388.01	339,176.91	340,470.51	71,094.41
4. Public reserves for housing	8,278.74	3,850,080.17	3,751,822.88	106,536.03
5. Union funds and staff education fee		150,051.79	120,186.63	29,865.16
Total	20,728,678.96	184,496,842.64	157,373,141.87	47,852,379.73

(3) Defined contribution plans listed

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end
1. Basic old-age insurance premiums	1,153,676.86	6,380,445.34	6,496,828.20	1,037,294.00
2. Unemployment insurance	29,186.25	260,659.42	260,786.91	29,058.76
Total	1,182,863.11	6,641,104.76	6,757,615.11	1,066,352.76

Other notes:

38. Taxes payable

In RMB

Items	Closing balance	Opening balance
VAT	153,383,283.46	32,678,325.28
Enterprise Income tax	229,594,535.61	239,018,994.88
Individual income tax	265,138.45	374,031.94
City Construction tax	3,509,945.52	3,928,587.22
Stamp Tax and other taxes	220,312.15	360,597.97
Educational surtax	2,643,096.05	2,983,381.35
Business tax	74,773,921.03	78,101,559.07
Total	464,390,232.27	357,445,477.71

Other notes:

39. Interest payable

In RMB

Items	Closing balance	Opening balance
Long-term loan interest payable	171,538.58	10,819,629.22
Interest payable on short-term borrowings	1,604,539.03	5,285,634.63
Total	1,776,077.61	16,105,263.85

Particulars of significant overdue unpaid interest:

In RMB

Name	Overdue amount	Overdue reason
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Other notes:

40. Dividends payable

In RMB

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

41. Other accounts payable

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

In RMB

Items	Closing balance	Opening balance
Bidding margins, performance bonds and deposits	53,631,024.27	48,363,917.10
Current accounts between individuals and withholding payables	74,841,390.56	14,453,897.50
Lendings to shareholders		
Current accounts between entities	1,192,725,603.51	450,793,562.35
Other	1,515,785.47	2,854,044.18
Payment for subscription of non-public offerings	0.00	4,500,000.00
Total	1,322,713,803.81	520,965,421.13

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

In RMB

Items	Ending balance	Reason
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Other notes

42. Divided into liability held for sale

In RMB

Items	Closing balance	Opening balance
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Other notes:

43. Non-current liabilities due within 1 year

In RMB

Items	Closing balance	Opening balance
Long-term loans due 1 year	487,657,918.14	820,422,471.45
Total	487,657,918.14	820,422,471.45

Other notes:

44. Other current liabilities

In RMB

Items	Closing balance	Opening balance
Output tax to be carried forward		121,529,600.95
Total		121,529,600.95

Increase or decrease in short-term bonds payable:

In RMB

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

45. Long-term loan

(1) Category of long-term loan

In RMB

Items	Balance in year-end	Balance in year-begin
Pledged borrowings	400,000,000.00	
Mortgage borrowings	16,839,164.49	16,839,164.49
Guarantee loan	456,250,000.00	826,253,306.53

Total	873,089,164.49	843,092,471.02
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Notes of short-term loans category:

Other notes including interest rate range:

46. Bond payable

(1) Bond payable

In RMB

Items	Closing balance	Opening balance
1. Qianhai Wutong Private bond No.2016070	100,000,000.00	100,000,000.00
2 First period bond financing plan of Sino Great Wall International Engineering Co., Ltd. in 2017	245,000,000.00	245,000,000.00
Total	345,000,000.00	345,000,000.00

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

In RMB

Bond name	Par value	Date of issue	Bond period	Issued amount	Opening balance	Issue of current period	Interest withdrawn as per par value	Amortization of premium or discount	Amount repaid of current	Ending balance
1. Qianhai Wutong Private bond No.2016070	100,000,000.00	2017-1-6	2019-1-6	99,800,000.00		99,800,000.00	6,200,000.00			
2 First period bond financing plan of Sino Great Wall	245,000,000.00	2017-1-31	2020-1-31	245,000,000.00		245,000,000.00	2,440,334.25			

International Engineering Co., Ltd. in 2017											
Total	--	--	--	344,800,000.00		344,800,000.00	8,640,334.25				

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

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

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

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

In RMB

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

Notes

47. Long-term payable

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

In RMB

Items	Closing balance	Opening balance
Accrued financial lease outlay	63,606,067.75	81,945,567.86

Other notes:

48. Long-term employee salary payable

(1) Long-term employee salary payable

In RMB

Items	Closing balance	Opening balance

(2) Changes of defined benefit plans

Present worth of defined benefit plans obligation:

In RMB

Items	Closing balance	Opening balance

Plan assets:

In RMB

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

In RMB

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

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

Other notes:

49. Specific payable

In RMB

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

50. Estimates liabilities

In RMB

Items	Balance in year-end	Balance in year-begin	Reason
Pending litigation	2,958,723.15	3,414,189.15	Provision for pending litigation of the Company
Total	2,958,723.15	3,414,189.15	--

Other notes:

51. Deferred income

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end	Reason
Germany Hospital		5,999,151.77		5,999,151.77	
Total		5,999,151.77		5,999,151.77	--

Details of government subsidies

In RMB

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

52. Other Non-current liabilities

In RMB

Items	Closing balance	Opening balance
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Other notes:

53. Stock capital

In RMB

	Balance Year-beginning	Increase/decrease this time (+, -)					Balance year-end
		Issuing of new share	Bonus shares	Transferred from reserves	Other	Subtotal	
Total of capital shares	1,698,245.01 1.00						1,698,245.01 1.00

Other notes:

54. Other equity instruments

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

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

In RMB

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

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

Notes:

55. Capital reserves

In RMB

Items	Year-beginning balance	Increase in current	Decrease in current	Year-end balance
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Share premium	-857,285,524.28			-857,285,524.28
Other	-442,064,177.46			-442,064,177.46
Total	-1,299,349,701.74			-1,299,349,701.74

Other notes, including changes and reason of change:

56. Treasury stock

In RMB

Items	Year-beginning balance	Increase in the current	Decrease in the current period	Year-end balance
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Other notes, including changes and reason of change:

57. Other comprehensive income

In RMB

Items	Year-beginning balance	Amount of current period					Year-end balance
		Amount for the period before income tax	Less : Previously recognized in profit or loss in other comprehensive income	Less: Income tax	After - tax attributable to the parent company	After - tax attributable to minority shareholders	
2. Other comprehensive income re-classifiable to profit or loss in subsequent periods	858,242.13	-263,008.36			-263,008.36		595,233.77
Balance form the translation of foreign currency financial statements	858,242.13	-263,008.36			-263,008.36		595,233.77
Total of Other comprehensive income	858,242.13	-263,008.36			-263,008.36		595,233.77

Other notes, including the adjustment of the recognition of initial amount of effective part of the cash flow hedging gains and losses

58. Special reserves

In RMB

Items	Year-beginning balance	Increase in the current	Decrease in the current period	Year-end balance
Safety production cost	164,231,078.18	7,271,059.70	100,962,846.23	70,539,291.65

Total	164,231,078.18	7,271,059.70	100,962,846.23	70,539,291.65
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Other notes, including changes and reason of change:

59. Surplus reserve

In RMB

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

Other note, including changes and reason of change

60. Retained profits

In RMB

Items	Amount of current period	Amount of previous period
After adjustments: Retained profits at the period beginning	1,503,103,396.72	1,228,970,498.86
Retained profits at the period end	1,651,166,244.75	1,395,682,248.23

As regards the details of adjusted the beginning undistributed profits

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

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

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

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

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

61. Business income, Business cost

In RMB

Items	Amount of current period	Amount of previous period
-------	--------------------------	---------------------------

	Income	Cost	Income	Cost
Main business	1,586,667,973.99	1,312,150,678.84	3,024,948,121.79	2,319,597,133.26
Other business	303,601.25	61,423.62	134,235.01	1,482.50
Total	1,586,971,575.24	1,312,212,102.46	3,025,082,356.80	2,319,598,615.76

62. Business tax and subjoin

In RMB

Items	Amount of current period	Amount of previous period
Urban construction tax	505,520.08	1,042,829.78
Education surcharg	394,400.96	655,066.85
Property tax		68,451.48
Land use tax		47,718.08
Stamp tax	351.80	128,521.10
Other	1,206,245.21	
Total	2,106,518.05	1,942,587.29

Other notes

63.Sales expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage	2,243,754.49	4,603,916.86
Office fee	132,464.60	4,078,158.29
Travel	99,055.21	393,660.38
Business expenses	308,931.00	128,844.14
Advertising	125,500.00	47,834.95
Advertising	11,051,634.52	7,849,265.92
Other	2,560,282.26	992,905.85
Total	16,521,622.08	18,094,586.39

Other notes:

64. Administrative expenses

In RMB

Items	Amount of current period	Amount of previous period
Wage	67,710,884.17	68,871,087.57
Office fee	3,693,918.16	8,687,944.68

Rental fees	8,715,549.21	7,347,823.86
Travel expenses	4,994,824.31	5,571,017.05
Entertainment expenses	4,984,925.91	3,996,369.24
Depreciation of fixed assets	8,618,171.30	6,270,469.80
Vehicle costs	1,575,536.62	1,479,810.31
Amortization of long-term prepaid expenses	2,076,778.32	1,939,541.82
Consulting fees	20,133,330.03	7,555,211.52
Entertainment expenses	821,120.23	823,301.14
Conference expenses	121,178.39	58,389.00
Tax fee		311,342.47
Cultivate fee		37,574.26
Insurance fee		582,826.56
Transportation changes	930,008.46	930,631.36
Other	3,531,636.46	10,713,417.51
Total	127,907,861.57	125,176,758.15

Other notes:

65. Financial expenses

In RMB

Items	Amount of this period	Amount of last period
Interest expenses	174,606,407.88	96,401,355.73
Less: Interest income	6,490,217.11	4,508,510.14
Gains or losses on exchange	-32,447,772.71	28,659,038.33
Discount interest		2,767,616.98
Guarantee expenses		8,617,206.29
Handling charges and others	10,271,507.13	7,875,102.40
Total	145,939,925.19	139,811,809.59

Other notes:

66. Loss of assets impairment

In RMB

Items	Amount of this period	Amount of last period
Losses on bad debts	4,183,874.66	89,110,933.27
Total	4,183,874.66	89,110,933.27

Other notes:

67. Gains from changes in fair value

In RMB

Source of the gains from changes in fair value	Amount of this period	Amount of last period

Other notes:

68. Investment income

In RMB

Items	Amount of this period	Amount of last period
Long-term equity investment income by equity method	5,171,892.51	
Hold the investment income during from available-for-sale financial assets		0.00
Total	5,171,892.51	

Other notes:

69. Assets disposal income

In RMB

Source	Amount of this period	Amount of last period

Other notes:

70. Other income

In RMB

Source	Amount of this period	Amount of last period

71. Non-operating income

In RMB

Items	Amount of current period	Amount of previous period	Recorded in the amount of the non-recurring gains and losses
Government Subsidy	935,867.42	60,363.52	
Other	178,957,486.84	4,384,261.26	
Total	179,220,495.20	4,444,624.78	

Government subsidy reckoned into current gains/losses

In RMB

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

Other notes:

72. Non-operating expenses

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & losses
Other	636,300.61	93,122.33	
Total	636,300.61	93,122.33	

Other notes:

73 .Income tax expenses

(1) Table of income tax expenses

In RMB

Items	Amount of current period	Amount of previous period
Current income tax expenses	18,832,808.48	68,435,528.34
Deferred income tax expenses	-42,571.69	-12,208,390.09
Total	18,790,236.79	56,227,138.25

(2) Adjustment progress of accounting profit and income tax

In RMB

Items	Amount of current period
Total profits	161,855,758.33
Expense of income tax calculated with statutory [or applicable] tax rate	18,832,808.48
Influences of deductible temporary difference or deductible loss of non-confirmed deferred income tax assets in the current period	-42,571.69
Income tax expense	18,790,236.79

Other notes

74 .Other comprehensive income

More details can be seen in Note.

75.Items of Cash flow statement

(1) Other cash received from business operation

In RMB

Items	Amount of current period	Amount of previous period
Interest income	8,884,622.44	5,594,387.25
Bond, deposit and other intercourse funds	3,587,412,932.81	2,961,878,910.22
Governmental subsidy		0.00
Total	3,596,297,555.25	2,967,473,297.47

Notes:

(2)Other cash paid related to operating activities

In RMB

Items	Amount of current period	Amount of previous period
Handling charges	8,436,090.29	9,715,737.69
Margin and deposit expenses	507,914,597.76	390,616,487.26
Selling expenses	2,108,633.03	1,218,208.55
General and administrative expenses	164,665,583.14	103,574,686.71
Current accounts	1,894,830,019.27	2,939,598,205.33
Total	2,577,954,923.49	3,444,723,325.54

Notes:

(3) Other Cash received related to investment activities

In RMB

Items	Amount of current period	Amount of previous period
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Notes:

(4) Other Cash payable related to investment activities

In RMB

Items	Amount of current period	Amount of previous period
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Notes

(5) Other Cash received related to Financing activities

In RMB

Items	Amount of current period	Amount of previous period
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Notes:

(6) Other Cash payable related to Financing activities

In RMB

Items	Amount of current period	Amount of previous period
Paid personal or company financing fund		
Paid trust deposit		
Paid financing fees		60,833.33
Total		60,833.33

Notes:

76. Supplement Information for cash flow statement

(1) Supplement Information for cash flow statement

In RMB

Supplement Information	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities	--	--
Net profit	143,065,521.54	279,471,430.55
Add: Impairment loss provision of assets	4,183,874.66	89,110,933.27
Depreciation of fixed assets, oil and gas assets and consumable biological assets	12,300,753.00	6,270,469.80
Amortization of intangible assets	804,312.23	1,754,011.80
Amortization of Long-term deferred expenses	6,993,115.98	1,939,541.82

Loss from fixed asset retirement	-570,793.76	
Financial expenses	145,939,925.19	139,811,809.59
Investment loss	-5,171,892.51	
Decrease in deferred income tax assets	1,167,618.96	-14,181,797.35
Increased of deferred income tax liabilities	25,805,916.90	-956,819.50
Decrease of inventories	-175,020,420.56	30,297,693.75
Decrease of operating receivables	628,339,650.86	-1,224,519,302.24
Increased of operating Payable	310,326,783.14	155,004,448.32
Net cash flows arising from operating activities	1,098,164,365.63	-535,997,580.19
II. Significant investment and financing activities that without cash flows:	--	--
III . Movement of cash and cash equivalents:	--	--
Ending balance of cash equivalents	258,018,921.01	1,446,473,740.35
Less: Beginning balance of cash equivalents	647,222,590.49	943,705,322.41
Net increase of cash and cash equivalents	-389,203,669.48	502,768,417.94

(2) Net Amount of Cash Paid for Acquisition of Subsidiaries in Current Period

In RMB

	Amount
Including	--
Including	--
Including	--

Other notes:

(3) Net Cash receive of disposal of the subsidiary

In RMB

	Amount
Including	--
Including	--
Including	--

Other notes:

(4) Composition of cash and cash equivalents

In RMB

Items	Balance in year-end	Balance in year-Beginning
I. Cash	258,018,921.01	647,222,590.49
Of which: Cash in stock	5,400,461.90	1,446,473,740.35
Bank savings could be used at any time	252,595,053.91	
III. Balance of cash and cash equivalents at the period end	258,018,921.01	647,222,590.49

Other notes:

77. Note of statement of changes in the owner's equity

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

78. The assets with the ownership or use right restricted

In RMB

Items	Book value in year-end	Reason

Other notes:

79. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

Items	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Monetary fund	--	--	
Including: USD	5,809,831.62	6.6166	38,441,331.90
Euro	11,513.17	7.6515	88,093.02
HKD	11,055,871.58	0.8431	9,321,205.33
Riyal	11,513.17	7.6515	88,093.02
Rupee (Sri lank)	683,729.38	1.8172	1,242,505.85
MOP	39,853,766.22	0.0418	1,665,801.83
Peso	109,000.18	0.8193	89,302.95
MMK	1,386,804.51	0.1238	171,623.40
RM	49,448,624.06	0.0047	230,572.07
KWD	2,498,160.73	1.6373	4,090,316.38
IDR	186,517.21	21.8767	4,080,376.17
LAK	2,870,713.86	0.0005	1,321.35

Ruble	14,502,000.00	0.0008	11,387.84
DHS	5,090,933.47	0.1054	536,486.34
THB	478,180.27	1.8020	861,679.23
	1,643,613.35	0.1998	328,368.03
Account receivable	--	--	
Including: USD	145,530,006.35	6.6166	962,913,840.04
Euro	338,667.52	7.6515	2,591,314.53
HKD			
Rupee (Sri lank)	765,226,004.27	0.0418	31,984,803.41
GBP	1,362,817.67	0.8193	1,116,545.24
KWD	61,330,313.16	21.8767	1,341,703,256.92
Riyal	357,701,359.03	1.8172	650,032,082.44
RM	64,298,948.73	1.6373	105,278,671.68
DZD	19,555,262.81	0.0562	1,098,185.82
Long-term borrowing	--	--	
Including: USD			
Euro			
HKD			
Advances to suppliers	0.00		0.00
Including: USD	2,271,051.61	6.6166	15,026,640.08
Riyal	158,589.22	1.8172	288,195.94
RM	856,048.89	1.6373	1,401,635.51
Rupee (Sri Lanka)	5,075,716.69	0.0418	212,154.06
Ruble	28,343,100.63	0.1054	2,986,816.94
KWD	4,268,471.62	21.8767	93,379,961.38
Other receivable	0.00		0.00
Including: USD	2,229,411.69	6.6166	14,751,125.39
HKD	7,164.68	0.8431	6,040.54
Rupee (Sri Lanka)	40,133,778.80	0.0418	1,677,505.75
RM	2,100,482.03	1.6373	3,439,184.66
Peso	146,997.00	0.1238	18,191.55
DZD	0.00	0.0562	0.00
MMK	25,039,954.91	0.0047	116,757.83
THB	146,175.05	0.1998	29,203.47

Riyal	136,256,996.76	1.8172	247,612,756.05
Ruble	4,943,825.61	0.1054	520,984.00
DHS	3,277,277.06	1.8020	5,905,642.16
Euro	0.00	7.6515	0.00
KWD	1,460,981.66	21.8767	31,961,419.25
Account payable	0.00		0.00
Including: USD	59,110,187.50	6.6166	391,108,466.61
Riyal	6,064,647.10	1.8172	11,020,967.87
Rupee (Sri Lanka)	405,424,265.53	0.0418	16,945,863.52
Peso	44,130.43	0.1238	5,461.34
RM	28,495,338.26	1.6373	46,656,304.97
MMK	1,121,875.00	0.0047	5,231.15
Ruble	726,164.63	0.1054	76,523.77
THB	4,536.36	0.1998	906.29
KWD	1,529,180.73	21.8767	33,453,388.06
Advance receipts	0.00		0.00
Including: USD	0.00	6.6166	0.00
DZD	393,934,866.66	0.0562	22,122,621.93
Euro	0.00	7.6515	0.00
DHS	5,533,806.27	1.8020	9,971,900.15
THB	0.00	0.1998	0.00
Other payable	0.00		0.00
Including: USD	316,436.18	6.6166	2,093,731.63
Peso	8,447.15	0.1238	1,045.37
Riyal	70,300.00	1.8172	127,752.54
HKD	407.62	0.8431	343.66
KWD	865,313.29	21.8767	18,930,176.61
RM	1,090,569.89	1.6373	1,785,624.05
Rupee (Sri Lanka)	39,528,917.53	0.0418	1,652,223.85
Ruble	14,110.76	0.1054	1,487.00
DHS	1,350.00	1.8020	2,432.70

Other notes:

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

Applicable Not applicable

80. Hedging

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

81. Other

VIII. Changes of consolidation scope

1. Enterprise consolidation not under the same control

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

In RMB

Acquiree	Timing of acquisition of equities	Costs for acquisition of equities	Proportion of equities acquired (%)	Method of acquisition of equities	Acquisition date	Recognition basis of the acquisition date	Revenue of the acquiree from the acquisition date	Net profit of the acquiree from the acquisition date

Other notes:

(2) Combination cost and goodwill

In RMB

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

The main formation reason for the large goodwill:

Other notes:

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

In RMB

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

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

Contingent liability of the acquiree bear during combination:

Other explanation:

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

Whether there is a transaction that through multiple transaction step by step to realize enterprises merger and

gaining the controlling the reporting period

Yes No

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

(6) Other notes:

2. Business combination under the same control

(1) Business combination under the same control during the reporting period

In RMB

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

Other notes:

(2) Combination cost

In RMB

Combination cost

Notes to contingent consideration or other changes:

Other notes:

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

In RMB

	Combination date	Last closing period

Notes to contingent consideration or other changes:

Other notes:

3. Counter purchase

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

4. The disposal of subsidiary

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

Yes No

In RMB

Name	Equity disposal price	Equity disposal ratio	Disposal of equity	Loss of control point	Determining the basis for	The difference	Proportion of remainin	The book value of	The fair value of the	Regainin g gains or losses	Determin ation of the fair	The amount of other

					the loss of control	between the disposal price and the share of the subsidiary's net assets at the level of the consolidated financial statements	g stocks at the date of control	the remaining equity at the date of control	remaining equity at the date of control	arising from re-measurement of the remaining equity at fair value	value of the remaining equity at the date of loss of control rights and main assumptions	comprehensive income related to the atomic company's equity investment transferred to investment profit and loss
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Other notes:

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

Yes No

5. Other reasons for the changes in combination scope

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

6.Other

IX. Equity in other entity

1. Equity in subsidiary

(1) Constitute of enterprise group

Subsidiary	Main operation	Registered place	Business nature	Share-holding ratio		Acquired way
				Directly	Indirectly	
Sino Great Wall International Engineering Co., Ltd.	Beijing	Beijing	Decoration industry	100.00%		Under non-common control
Sino Great Wall Infrastructure Investment Co., Ltd.	Beijing	Beijing	Investment management, import and export	100.00%		Establishment
Sino Great Wall Medical Investment Management Co., Ltd.	Beijing	Beijing	Medical investment	100.00%		Establishment
Wuhan Commercial Workers Hospital LLC	Wuhan	Wuhan	Sanitary & medical service	100.00%		Under non-common control
Sino Great Wall Guangxia (Wuhan) Medical Development Co., Ltd.	Wuhan	Wuhan	Medical technology development, pharmaceutical sales, medical device wholesale, medical and pension investment	60.00%		Establishment
Changzhi Shenzhou Laodingshan Industrial Co., Ltd.	Changzhi	Changzhi	Urban infrastructure construction and development,	100.00%		Establishment

			construction engineering design, R&D, construction equipment leasing, construction			
Xiangfen County Taoshan Construction Co., Ltd.	Xiangfen	Xiangfen	Urban infrastructure construction, trade	100.00%		Establishment
Sino Great Wall (Xihua) Economic Development Zone Investment Co., Ltd.	Xihua	Xihua	Infrastructure investment, road and bridge construction, water conservancy construction, general airport construction	100.00%		Establishment
Liupanshui Central People's Hospital Investment Co., Ltd.	Liupanshui	Liupanshui	Hospital management service, pension rehabilitation service, investment, trade, aged articles wholesale and retail	75.00%		Establishment
Sino Zhigu Industrial (Yueyang) Co., Ltd.	Yueyang	Yueyang	Building construction	78.30%		Establishment
Sino Great Wall Group Co., Limited	Hongkong	Hongkong	Construction, design, trade, investment consulting	100.00%		Establishment
Sino Great Wall Decoration and	Beijing	Beijing	Design and consulting	100.00%		Establishment

Design Co., Ltd.						
Sino Great Wall International Engineering (Macao) Co., Ltd.	Macao	Macao	Design and construction	96.00%	4.00%	Establishment
Suzhou Lvbang Wood Industry Technology Co., Ltd.	Suzhou	Suzhou	Production and sales	100.00%		Establishment
Guangzhou Herabenna Interior Design Co., Ltd.	Guangzhou	Guangzhou	Design	100.00%		Establishment
Shenzhen Hongtulve Industrial Co., Ltd.	Shenzhen	Shenzhen	Investment, R&D and sales, trade, import and export	100.00%		Establishment
Inrich Me Engineering Co., Ltd.	Hongkong	Hongkong	Mechanical and electrical engineering, scientific research, trade, investment consulting	100.00%		Establishment
Sino Great Wall Real Estate (Hubei) Co., Ltd.	Wuhan	Wuhan	Real estate development	80.00%		Establishment
Sino Great Wall New Energy (Beijing) Co., Ltd.	Beijing	Beijing	Renewable energy technology	100.00%		Establishment
Shanghai Lingrui International Trading Co., Ltd.	Shanghai	Shanghai	Trade	100.00%		Establishment
Sino Great Wall Construction Engineering	Chengdu	Chengdu	Building construction	60.00%		under non-common

Co., Ltd.						control
Sino Great Wall Southwest Engineering Co., Ltd.	Chengdu	Chengdu	Building construction	100.00%		under non-common control
Huichang County Zhongcheng Construction Engineering Co., Ltd.	Huichang	Huichang	Medical industry construction, import and export	100.00%		under non-common control
Great Wall Biaodian Energy Co., Ltd.	Beijing	Beijing	Energy trade, R&D, import and export	51.00%		Establishment
Sino Great Wall Zhihui Housing Property (Zhanjiang) Co., Ltd.	Zhanjiang	Zhanjiang	Real estate development, interior decoration works for buildings and houses	100.00%		Establishment
SINO GREAT WALL INTERNATIONAL ENGINEERING(CNMI)CO., LLC	Saipan	Saipan	Design and construction	100.00%		Establishment
SINO GREAT WALL GENERAL TRADING & CONTRACTING CO. LTD	Kuwait	Kuwait	Building construction	49.00%		under non-common control
Sino Great Wall International Engineering(MM) Co.,Ltd	Burma	Burma	Design and construction	80.00%		Establishment
PT.SINO GREAT WALL CONSTRUCTION	Indonesia	Indonesia	Building construction	67.00%		Establishment

ON INDONESIA						
Shenzhou Changcheng (Lao) Co.,Ltd	Laos	Laos	Building construction	100.00%		Establishment
Sino Great Wall International Engineering (Thailand) Co.,Ltd.	Thailand	Thailand	Engaged in domestic and international construction contracting, interior and exterior decoration of buildings, accepting bids to obtain bidding civil engineering projects of government agencies (cities, organs, etc.), individuals and legal entities; engaged in leasing, sales, export, purchase of various construction materials and construction equipment, and real estate development, etc.	49.00%		Establishment
Sino Great Wall International Engineering Co.,Ltd	Maldives	Maldives	Design and construction	100.00%		Establishment
PT.SINO GREAT WALL INVESTMENT	Indonesia	Indonesia	Real estate or leasing	99.90%		Establishment

INDONESIA						
SGW America LLC	USA	USA	Construction, design	99.00%	1.00%	Establishment
Sino Great Wall Group (UK) Co., Limited	Britain	Britain	Design and construction	98.00%		Establishment
Kunming Sino Forest Industry Development Co., Ltd.	Kunming	Kunming	Development, construction, operation and management of industrial parks	51.00%		Establishment
SINO GREAT WALL (USA) .INC	USA	USA	Legal business practices	100.00%		Establishment
Sino Great Wall Development (Hengqin) Co., Ltd.	Zhuhai	Hengqin	Design and construction	85.00%		Establishment
Fujian Sino Great Wall Mingyihui Medical Investment Co., Ltd.	Fuzhou	Fuzhou	Investment in medical and pension industry; hospital management; medical device sales	87.50%		Establishment
Sino Great Wall Medical Investment (Hubei) Co., Ltd.	Wuhan	Wuhan	Investment in medical industry projects; self-operation and agency of the import and export business of various goods and technology	100.00%		Establishment

Sino Great Wall Medical Management (Inner Mongolia) Co., Ltd.	Hohehot	Hohehot	Pharmaceutical development, pharmaceutical sales, medical device sales	62.00%		Establishment
Sino Great Wall Health Management (Jiangsu) Co., Ltd.	Jingjiang	Jingjiang	Health consulting, fitness, pension service and medical device sales	51.00%		Establishment
Hubei Yuanyaotong Supply Chain Co., Ltd.	Wuhan	\Wuhan	Pharmaceutical wholesale, self-operation and agency of the import and export of goods and technology	51.00%		Establishment
Wu'an Juhe Photovoltaic Power Co., Ltd.	Wuan	Wuan	Solar photovoltaic	100.00%		Establishment
Sino Great Wall Southwest Science and Technology Co., Ltd.	Chengdu	Chengdu	Computer technology service, software and hardware R&D sales, equipment installation	100.00%		Establishment
Sino Great Wall Southwest Commercial and Trading Co., Ltd.	Chengdu	Chengdu	Wholesale and sales	100.00%		Establishment

Sino Great Wall Southwest Engineering Consultation Co., Ltd.	Chengdu	Chengdu	Construction engineering design, consulting, survey	100.00%		Establishment
Far eastern international engineering company,LLC	Russia	Russia	Building construction, commerce and trade, transport, leasing	95.00%		under non-common control
Sino Great Wall(Philippines) International Corporation	Philippines	Philippines	Building construction, import and export trade	100.00%		Establishment
Sino Great Wall (HK) Property Co., Limited	Hongkong	Hongkong	Real estate development and management, land investment, property management, investment and business consulting, trade	100.00%		Establishment
SGW HPEngineering ConstructionS DN.BHD	Malaysia	Malaysia	Building construction, engineering design, installation project, mechanical and electrical installation, etc.	100.00%		Establishment
SGW VENTURES SDN.BHD.	Malaysia	Malaysia	Purchased, or otherwise obtained, attributes, stocks, bonds, reinvested earnings, etc.	100.00%		Establishment

SGW CONSTRUCTION (LANGKAWI) SDN.BHD.	Malaysia	Malaysia	Building construction, engineering design, installation project, mechanical and electrical installation, etc.	100.00%		Establishment
Alor Vista Development Sdn Bhd	Malaysia	Malaysia	Real estate development and management, land investment, building and construction, etc.	51.00%		under non-common control
SINO GREAT WALL GENERAL TRADING & CONTRACTING CO.,LTD	Kuwait	Kuwait	Building construction	100.00%		under non-common control
Acura Kliniken Baden-Baden GmbH	Germany	Germany	Hospital management service	100.00%		under non-common control
Wuhan Huaye Pharmaceutical co., Ltd.	Wuhan	Wuhan	Hardware and electrical equipment, decoration and building materials, fitness equipment wholesale	51.00%		under non-common control
Sino Wai Man International Engineering Limited	Macao	Macao	Engineering, design, trade, investment, consulting	60.00%		Establishment

Explanation on share-holding ratio in subsidiary different from ratio of voting right:

Basis for controlling the invested entity with half or below voting rights held and without controlling invested entity but with over half and over voting rights:

Controlling basis for the structuring entity included in consolidated range:

Basis on determining to be a agent or consignor:

Other notes:

(2) Significant not wholly-owned subsidiaries

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

Other notes:

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

Other notes:

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

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

Other notes

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

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

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

In RMB

--	--

Other notes

3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

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

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

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

(2) Main financial information of Significant joint venture

In RMB

	Amount of current period	Amount of previous period

Other notes

(3) Main financial information of significant associated enterprise

In RMB

	Amount of current period	Amount of previous period

--	--	--

Other notes

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

In RMB

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

Other notes

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

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

In RMB

Name	The cumulative recognized losses in previous accumulatively derecognized	The derecognized losses or the share of net profit in reporting period	The no cumulative unrecognized losses in reporting period

Other notes

(7) The unrecognized commitment related to joint venture investment

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

4. Significant common operation

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

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

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

Other notes

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

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

6. Other

X. The risk related financial instruments

XI. The disclosure of the fair value

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

In RMB

Items	Closing fair value			
	Fir value measurement items at level 1	Fiar value measurement items at level 2	Fiar value measurement items at level 3	Total
II. Consistent fair value	--	--	--	--

II. Inconsistent fair value measurement	--	--	--	--
---	----	----	----	----

2. Market price recognition basis for consistent and inconsistent fair value measurement items at level 1
3. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 2
4. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 3
5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and closing book value of consistent fair value measurement items at level 3
6. Explain the reason for conversion and the policy governing when the conversion happens if conversion happens among consistent fair value measurement items at different levels
7. Changes in the valuation technique in the current period and the reason for change
8. Fair value of financial assets and liabilities not measured at fair value
9. Other

XII. Related party and related party transactions

1. Parent company information of the enterprise

Name	Registered address	Nature	Registered capital	The parent company of the Company's shareholding ratio	The parent company of the Company's vote ratio

Notes

The final control of the company was:

Other notes:

2. Subsidiaries of the Company

Situation of the enterprise subsidiaries refer to the Notes.

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

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

Information on other joint venture and associated enterprise of occurring related party transactions with the Company in reporting period, or from balance due to related party transactions in previous period:

Name	Relationship

Other notes

4. Other Related parties information of the enterprise

Other Related parties name	Relation of other Related parties with the company
HE SEN	The shareholders of the company and the brother-in-law of the actual controller
HE FEIYAN	The shareholders of the company and the spouse of the actual controller
LI ERLONG	Directors, supervisors and senior management of the company

Qinghai integrated trading co. LTD	The company's director wang lei control of the enterprise
Qinghai integrated mining co. LTD	The company's director wang lei control of the enterprise
Kunwu jiuding investment management co. LTD and its related parties	More than 5% of the company's shareholders and subject to the same control enterprise
Beijing polaroid technology co. LTD	The directors of the company shall be the wholly-owned subsidiary of the company

Other notes

5. Related transactions.

(1) Related transactions on purchasing goods and receiving services

Acquisition of goods and reception of labor service

In RMB

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

Related transactions on sale goods and receiving services

In RMB

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

Notes

(2) Related trusteeship or contracting

Related trusteeship or contracting in which the Company is the undertake

In RMB

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

Notes

(3) Information of related lease

The company was lessor:

In RMB

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

The Company was lessee:

In RMB

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

Notes

(4) Related guarantee condition

The Company as a guarantor

In RMB

Guarantor	Amount	Starting date	Stop date	If completed or not

The Company was secured party

In RMB

Guarantor	Guarantee Amount	Starting date	Stop date	If completed or not

Notes

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

In RMB

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

(6) Related party asset transfer and debt restructuring

In RMB

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

(7) Rewards for the key management personnel

In RMB

Items	Amount of current period	Amount of previous period

(8) Other related party transactions

6. Payables and receivables of the related party

(1) Receivable

In RMB

Name	Related party	Amount at year end		Amount at year beginning	
		Balance of Book	Bad debt Provision	Balance of Book	Bad debt Provision
Accounts receivable	Kunwu jiuding investment management co.	427,613.49	21,380.67	1,227,613.49	61,380.67

	LTD and its related parties				
	Beijing polaroid technology co. LTD	160,000.00	16,000.00	160,000.00	16,000.00
	Shanghai oneness supply chain management co. LTD	2,469,164.81	123,458.24	2,469,164.81	123,458.24

(2) Payables

In RMB

Name	Related party	Book balance at year end	Book balance at year beginning
Accounts payable	Qinghai integrated trading co. LTD		3,190,000.00

7. Related party commitment

8. Other

XIII. Stock payment

1. The Stock payment overall situation

Applicable Not applicable

2. The Stock payment settled by equity

Applicable Not applicable

3. The Stock payment settled by cash

Applicable Not applicable

4. Modification and termination of the stock payment

5. Other

XIV. Commitments

1. Importance commitment events

Important commitments of existence of balance sheet date

2. Contingency

(1) Significant contingency at balance sheet date

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

There was no significant contingency in the Company.

3. Other

XV. Events after balance sheet date

1. Significant events had not adjusted

In RMB

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

2. Profit distribution

3. Sales return

4. Notes of other significant events

XVI. Other significant events

1. The accounting errors correction in previous period

(1) Retrospective restatement

In RMB

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

(2) Prospective application

Content	Processing program	Reason of adopting prospective application
Nil		

2. Debt restructuring

Nil

3. Replacement of assets

(1) Non-monetary assets exchange

Nil

(2) Other assets replacement

Nil

4. Pension plan

Nil

5. Discontinuing operation

In RMB

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

Other notes

Nil

6. Segment information

(1) Recognition basis and accounting policies of reportable segment

Accounting Policies of Report Segment:

There is no related business among the domestic construction and decoration section, the overseas construction and decoration section and the medical section, thus there is no price transfer among the various divisions.

The medical section business is implemented by the company and the independent subsidiary company. The account sets of the overseas construction and decoration section business are set up according to the construction areas of the projects under construction for accounting. There are 8 major account sets respectively for Qatar, Kuwait, Cambodia, Sri Lanka, Malaysia, Burma, Maldives and Saipan for accounting. There is no situation in which the costs indirectly attributing to the various divisions need to be shared. The business data of the overseas construction and decoration section is also composed of the financial data of the above 8 major project account sets.

(2) The financial information of reportable segment

In RMB

Items		Offset during segments	Total
-------	--	------------------------	-------

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

Nil

(4) Other notes

Nil

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

Nil

8. Other

Nil

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

1. Account receivable

(1) Classification account receivables.

In RMB

Category	Amount in year-end					Amount in year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Accounts Receivable with Significant Single Amount and Having Bad Debt Reserve Withdrawn Independently	0.00	0.00%	0.00		0.00	0.00		0.00		0.00
Accounts receivable with bad debt reserve withdrawn as per	0.00	0.00%	0.00			0.00		0.00		

the portfolio of credit risk characteristics										
Accounts receivable with insignificant single amount, but having bad debt reserve withdrawn separately	0.00	0.00%	0.00			0.00		0.00		
Total	0.00	0.00%	0.00							

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

Applicable Not applicable

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

Applicable Not applicable

In RMB

Aging	Amount in year-end		
	Account revisable	Provision for bad debts	Proportion%
Within item 1 year			

Notes:

Receivable accounts on which had debt provisions are provided on percentage analyze basis in a portfolio

Applicable Not applicable

Receivable accounts on which had debt provisions are provided by other ways in the portfolio

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

The withdrawal amount of the bad debt provision during the Reporting Period was of RMB9,315,221.66; the amount of the reversed or collected part during the Reporting Period was of RMB0.00.

Significant amount of reversed or recovered bad debt provision:

In RMB

Name	Amount	Method

(3) The current accounts receivable written-offs situation

In RMB

Items	Amount

Of which: significant actual written-offs situation:

In RMB

Name	Nature	Amount	Reason	Procedure	Whether occurred

						because of related party transaction
--	--	--	--	--	--	--------------------------------------

Notes:

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

Nil

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

Nil

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

Nil

Other notes:

Notes

2.Other receivable

(1) .Category of Other receivable

In RMB

Category	Amount in year-end					Amount in year-beginning				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other account receivables provided bad debt provision in credit risk groups	2,907,761,802.07	100.00%	16,653,708.99	0.57%	2,891,108,093.08	3,599,182,692.34	100.00%	8,215,209.12	0.23%	3,590,967,483.22
Total	2,907,761,802.07	100.00%	16,653,708.99	0.57%	2,891,108,093.08	3,599,182,692.34	100.00%	8,215,209.12	0.23%	3,590,967,483.22

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

 Applicable Not applicable

Other receivable of combinational withdrawing bad debt provision by aging analysis method

 Applicable Not applicable

In RMB

Aging	Amount in year-end		
	Other receivable	Provision for bad debts	Proportion(%)
Within Item 1 year			
	192,368,959.97	9,618,448.00	5.00%
Subtotal within 1 year	192,368,959.97	9,618,448.00	5.00%
1-2 years	70,352,609.93	7,035,260.99	10.00%
Total	2,907,761,802.07	16,653,708.99	0.57%

Notes:

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

Applicable Not applicable

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

Applicable Not applicable

(2) Bad debt provision accrual collected or switch back

Bad debt provision accrual was RMB9,315,221.66, the account collected or switches back amounting to RMB876,721.79.

Significant amount of reversed or recovered bad debt provision:

In RMB

Name	Back or withdraw money	Method

(3) The current accounts receivable written-offs situation

Of which: significant actual written-offs situation:

In RMB

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

Notes:

(4) Other account receivable classified by account nature

In RMB

Nature	Closing book value	Opening book value
Bid bond, performance bond and deposit	113,189,709.93	92,152,609.93
Petty cash	919,442.48	142,590.46
Current account	2,793,652,649.66	3,506,887,491.95
Other		

Total	2,907,761,802.07	3,599,182,692.34
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(5) The top five other account receivable classified by debtor at period end

In RMB

Name	Nature	Closing balance	Aging	Proportion %	Closing balance of bad debt provision
Sino Great Wall International Engineering Co., Ltd.,	Related party dealing	2,495,544,546.06	Within 1 year	85.82%	
Wuhan Commercial Workers Hospital LLC	Related party dealing	99,000,000.00	1-2 years	3.40%	
Fuping hi tech Industrial Development Zone Management Committee	Deposit	50,000,000.00	1-2 years	1.72%	5,000,000.00
Sino Great wall Medical Investment Management Co., Ltd.	Related party dealing	40,445,288.62	Within 1 year	1.39%	
Yanjin County Sino Great Wall Construction Co., Ltd.	Related party dealing	40,200,000.00	Within 1 year	1.38%	2,010,000.00
Total	--	2,725,189,834.68	--		7,010,000.00

(6) Accounts receivable involved with government subsidies

In RMB

Name of units	Project of government	Closing balance	Closing age	Estimated received time, amount and basis
Nil				

(7) Other account receivable which terminate the recognition owing to the transfer of the financial assets

Nil

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

Nil

Other Notes:

Nil

3. Long-term equity investment

In RMB

Items	Year-end balance			Year-beginning balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Investment to the subsidiary	3,311,211,536.66	0.00	3,311,211,536.66	3,311,211,536.66	0.00	3,311,211,536.66
Total	3,311,211,536.66		3,311,211,536.66	3,311,211,536.66		3,311,211,536.66

(1) Investment to the subsidiary

In RMB

Name	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
Sino Great Wall International Engineering Co., Ltd.,	3,079,451,536.66			3,079,451,536.66		
Wuhan Commercial Workers Hospital LLC	97,000,000.00			97,000,000.00		
Changzhi Shenzhou Laodingshan Industrial Co., Ltd.	10,000,000.00			10,000,000.00		
Xiangfen County Taoshan Construction Co., Ltd.	10,000,000.00			10,000,000.00		
Sino Great Wall	5,000,000.00			5,000,000.00		

Medical Investment Management Co., Ltd.										
Sino Zhigu Industrial (Yueyang) Co., Ltd.	109,760,000.00						109,760,000.00			
Total	3,311,211,536.66						3,311,211,536.66			0.00

(2) Investment to joint ventures and associated enterprises

In RMB

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

(3) Other notes

Nil

4. Business income and Business cost

In RMB

Items	Amount of current period		Amount of previous period	
	Business income	Business cost	Business income	Business cost
Main operations	117,362.07	108,742,520.47	0.00	111,018.01
Total	117,362.07	108,742,520.47	0.00	111,018.01

Other notes:

5. Investment income

In RMB

Items	Amount of current period	Amount of previous period
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6. Other

XVIII. Supplementary Information

1. Current non-recurring gains/losses

√ Applicable □ Not applicable

In RMB

Items	Amount	Notes
Gain or loss on disposal of non-current assets	-570,793.76	
Entitled income generated from fair value of net identifiable assets of invested company when the investment cost obtained by the enterprise from subsidiaries, affiliated enterprises and joint ventures is less than the obtained investment.	70,486,755.72	
Other non-operating income and expenditure except for the above items	108,668,232.63	
Less: Influenced amount of income tax	1,078,053.52	
Total	177,506,141.07	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

□ Applicable √ Not applicable

2 Return on net assets and earnings per share

Profit of the report period	Return on net assets . Weighted (%)	Earnings per share	
		Basic earnings per share	Diluted gains per share
Net profit attributable to the	6.61%	0.0848	0.0848

Common stock shareholders of Company.			
Net profit attributable to the Common stock shareholders of Company after deducting of non-recurring gain/loss.	-1.47%	-0.0147	-0.0147

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

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

Applicable Not applicable

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

Applicable Not applicable

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

4. Other

XI. Documents available for inspection

1. Text of financial statement with signature and seals of legal person, person in charge of accounting works and person in charge of accounting institution.

2. Original and official copies of all documents which have been disclosed on Securities Times and Hong Kong Commercial Daily in the report period.

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

Legal representative: Chen Lue

Sino Great Wall Co., Ltd.

August 31, 2018