

Stock code: 000018 , 200018

Stock ID : Sino Great Wall , Sino-B

Announcement No. 2018-061

Summary of 2017 Annual Report of Sino Great Wall Co., Ltd.

1. Important notes

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

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

Non-standard auditor's opinion

Applicable Not applicable

Preliminary plan for profit distribution to the common shareholders or turning the capital reserve into the share capital for the reporting period, which has been reviewed and approved at the board meeting

Applicable Not applicable

Conversion of capital reserves into share capital

Yes No

The profit distribution proposal reviewed and approved by the boarding meeting was summarized as follows: 1,698,245,011 for the base, the Company would distribute cash dividend to all the shareholders at the rate of CNY0.40 for every 10 shares (with tax inclusive) , 0 bonus shares (including tax) , and not converting capital reserve into share capital.

Plans for profit distribution on preference shares for the reporting period approved by the Board

Applicable Not applicable

II. Basic information about the company

1. Company profile

Stock ID	Sino Great Wall , Sino-B	Stock code:	000018 200018
Stock Exchange Listed in	Shenzhen Stock Exchange		
Contact person and contact manner	Board secretary	Securities affairs Representative	
Name	Yang Chunling	Ma Qin	
Contact address	Sino Great Wall Building, No.3 Jinxiu Street, Economic Technology Development Zone , Beijing	Sino Great Wall Building, No.3 Jinxiu Street, Economic Technology Development Zone , Beijing	
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2. Brief introduction to the main business or products in the reporting period

Within the report period, the core business of Sino Great Wall is the engineering construction and medical treatment and health industry investment and management. The engineering construction mainly includes the international EPC and domestic PPP business. The medical treatment and health industry investment and management mainly comprises the hospitals and medical treatment operation management through engagement in the industry through several ways including acquisition of existing hospitals, construction of new hospitals as well

as building and investing the hospital PPP project, etc. At present, the company business covers the house building, roads and bridges, power and chemical industry as well as medical treatment and health, etc. among many countries and regions in Southeast Asia, the Middle East, South Asia and Africa, etc.

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

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

At present, the company has building construction qualifications including: general contracting for construction project construction, professional contractor for building decoration engineering design and construction, professional contractor for mechanical and electrical equipment installation engineering, professional contractor for building curtain wall engineering, and foundation engineering Contractor-level contractor, fire-fighting facilities engineering contractor-level contractor, waterproof anti-corrosion-insulation engineering contractor-level professional contractor, mechanical and electrical engineering construction contractor-level contractor, bridge engineering contractor-level contractor, petrochemical engineering construction contractor-class, municipal utility construction total Contractor for Grade A, Class A for Contractors for Tunnel Engineering, Grade A Contractors for Construction and Installation of Hydraulic Metal Structures, Grade I of General Contractors for Water Conservancy and Hydropower Projects, Grade A for General Contractors for Railway Construction, Grade A for General Contractors for Metallurgical Engineering, and Special The professional engineering contractor has no grade, construction contract qualification for highway pavement engineering, and construction contract qualification for highway subgrade engineering. The scope of the project can cover construction and construction qualifications in various categories such as construction, roads, railways, municipal utilities, water conservancy and hydropower, petrochemicals, and electricity.

3. Major accounting data and financial indicators

(1) Major accounting data and financial indicators for the last three years

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

Yes No

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In RMB

	2017	2016	Changed over last year	2015
Operating Gross income (Yuan)	6,497,124,980.52	4,664,999,117.17	39.27%	4,010,358,999.58
Net profit attributable to the shareholders of the listed company (Yuan)	380,090,990.82	473,661,862.67	-19.75%	346,648,651.48
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	377,087,197.69	470,274,602.37	-19.82%	347,196,614.68
Cash flow generated by business operation, net (Yuan)	-1,781,868,618.65	-1,687,875,813.94	-5.57%	-292,051,257.08
Basic earning per share(Yuan/Share)	0.22	0.28	-20.07%	0.40
Diluted gains per share(Yuan/Share)(Yuan/Share)	0.22	0.28	-20.07%	0.40
Net asset earning ratio (%)	19.35%	31.18%	-11.83%	34.52%
	End of 2017	End of 2016	Changed over last year (%)	End of 2015
Gross assets	11,653,249,290.29	7,986,178,961.63	45.92%	4,017,462,824.63
Net assets attributable to shareholders of the listed company	2,151,482,467.52	1,777,948,117.49	21.01%	1,282,256,738.74

(2)Main Financial Index by Quarters

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	1,059,865,573.83	1,965,216,782.97	1,660,125,169.52	1,811,917,454.20
Net profit attributable to the shareholders of the listed company	99,029,586.64	169,576,863.39	141,854,355.89	-30,369,815.10
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	99,029,586.64	165,873,249.52	141,971,594.58	-29,499,781.40
Net Cash flow generated by business operation	-447,147,216.26	-88,850,363.93	-249,446,741.97	-1,001,355,399.29

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

Yes No

4.Share capital and shareholders

(1) Number of holders of ordinary shares and preference shares with restored voting right and Top 10 shareholders

In shares

Total number of common shareholders at the end of the reporting period	67,510	Total shareholders at the end of the month from the date of disclosing the annual report	67,825	The total number of preferred shareholders voting rights restored at period-end	0	Total preferred shareholders at the end of the month from the date of disclosing the annual report	0
Shareholdings of Top 10 shareholders							
Shareholders	Nature of	Proportion of	Number of	Amount of restricted shares held	Number or share		

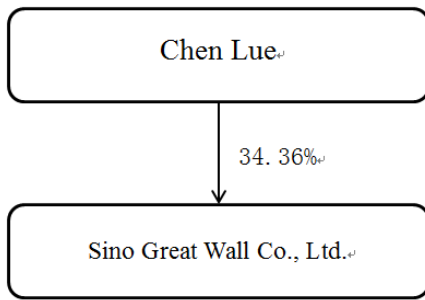
	shareholder	shares held (%)	shares held at period-end		pledged/frozen	
					State of share	Amount
Chen Lue	Domestic Natural person	34.36%	583,454,556	581,722,696	Pledge	473,260,594
STYLE-SUCCESS LIMITED	Foreign legal person	5.47%	92,970,910	0		
Union Holdings Co., Ltd.	Domestic Non-State-owned legal person	5.18%	87,935,921	0		
He Feiyan	Domestic Natural person	3.23%	54,800,458	54,800,458		
Jiutai Fund—Bank of Communications—Jiutai Huitong No.2 specific customer asset management plan	Other	2.50%	42,479,672	42,479,672		
Bohai International Trust Co., Ltd.—Bohai Trust 250 Henglifeng Single fund trust	Other	1.71%	29,104,000	0		
China International Finance Co., Ltd.	Other	1.70%	28,822,543	0		
Rich Crown Investment Co., Ltd.	Foreign legal person	1.37%	23,235,313	0		
Bank of China—Fortis Income Growth Securities Investment Fund	Other	0.87%	14,731,783	0		
Qinghai Heyi Industry Development Co., Ltd.	Domestic Non-State-owned legal person	0.79%	13,357,084	0	Pledge	13,357,000
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 concert. The controlling shareholder of the above-mentioned third shareholder Shenzhen Union Holdings Co., Ltd. And Eighth shareholder Rich Crown Investment Co., Ltd.. Is Union Development Group Ltd. whether the other shareholders have associated relations are unknown.					
Notes to the shareholders involved in financing securities (if any)	Nil					

(2) Total preference shareholders and the shares held by the Top 10 Preference shareholders

 Applicable Not applicable

Nil

(3) Block diagram of the ownership and control relations between the Company and the actual controller



5. Corporation bonds

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

III. Discussion and Analysis of the Management

1. Business Operation summary in the reporting period

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

Yes

Civil Engineering Construction

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

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

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

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

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

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

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

In terms of talent introduction, the company has upgraded from a traditional subcontracting company for decoration, electromechanical, curtain wall, etc., to a general contractor and an EPC company to undertake a general contractor engineering company; it has gone abroad from domestic building construction, and has taken on the foreign countries along the "One Belt and One Road" initiative. Contracted projects; extending from the construction area to the upstream, investing in construction projects through equity participation, and entering the medical and health industry from the traditional construction industry across industries. The business development and transformation in recent years has led to the company's large demand for high-end management talents and comprehensive composite talents. The company introduced senior management personnel from the top level of the company's structure to enrich the professional composition of the company's management and improve the management structure of the company's management. In 2017, the board of directors of the company newly hired high-end talents such as general manager, deputy general manager, chief financial officer, and deputy general manager. At the same time, a large number of foreign-funded business management, operations, and other management personnel have been introduced, and a large number of public hospital administrators, foreign medical experts and other medical management, high-tech talent have been introduced. Through the introduction of a large number of high-end talents, the company has improved its management, operation level and risk prevention

In 2017, the company realized operation income of RMB 6.497 billion, an increase of 39.27% from the last year; realized the operating profits of RMB 508 million, a decrease of 8.65% from the last year; and the net profit attributable to the parent company was RMB 380 million, a decrease of 19.75% from the last year.

2. Material change in principal activities during the reporting period

Yes No

3. Products accounting for over 10% of revenue or profit from principal activities of the Company

√ Applicable □ Not applicable

In RMB

Name	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
EPC	4,268,109,664.43	3,029,618,055.12	29.02%	36.87%	38.92%	-3.50%
Decoration work	2,015,057,491.48	1,678,668,151.76	16.69%	38.76%	38.13%	2.35%

4. Seasonal or cyclical operations requiring special attention

□ Yes √No

5. Material difference of revenue, operating costs or net profit attributable to holders of ordinary shares of the Company for the reporting period from the last reporting period

□ Applicable √Not applicable

6. Suspension in trading or delisting

□ Applicable √Not applicable

7. Events relating to the financial report

(1) Reason for changes in accounting policies, accounting estimates and accounting methods as compared to the financial report for the prior year

√ Applicable □ Not applicable

In 2017, the company has changed the original accounting policy according to the Accounting Standards No. forty-second issued by the Ministry of Finance - non - mobile assets, disposal groups and termination of operation, the accounting standards for enterprise sixteenth - government subsidy and the Ministry of Finance on revising and Issuing the format of the general enterprise financial statements.

(2) Reason for retrospective restatement to correct major accounting errors during the reporting period

□ Applicable √ Not applicable

Nil

(3) Reason for changes in scope of the consolidated financial statements as compared to the financial report for the prior year

√ Applicable □Not applicable

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

Chairman of the board :Chen Lue
Sino Great Wall Co., Ltd.

April 24,2018