

Stock code: 000018 , 200018

Stock ID : Sino Great Wall , Sino-B

Announcement No. 2018-066



**Sino Great Wall Co., Ltd.**

**The First Quarterly Report 2018**

**April 2018**

## 1 Important Notice

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

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

Mr.Chen Lue, Person in charge of the Company, Mr.Tang Xianyong, Chief financial officer and the Mr. Tang Xianyong, the person in charge of the accounting department (the person in charge of the accounting )hereby confirm the authenticity and completeness of the financial report enclosed in this Quarterly Report .

## II. Basic information about the company

### (1) Main financial data and financial index

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

Yes  No

	This period	Same period of last year	Changes of this period over same period of last year (%)
Operating income (Yuan)	923,442,740.92	1,059,865,573.83	-12.87%
Net profit attributable to the shareholders of the listed company (Yuan)	218,523,628.75	99,029,586.64	120.66%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	59,559,955.14	99,029,586.64	-39.86%
Cash flow generated by business operation, net (Yuan)	809,676,459.22	-447,147,216.26	281.08%
Basic earning per share(Yuan/Share)	0.1287	0.0583	120.75%
Diluted gains per share(Yuan/Share)	0.1287	0.0583	120.75%
Weighted average return on equity (%)	9.69%	5.44%	4.25%
	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Gross assets (Yuan)	11,806,550,835.12	11,667,845,186.30	1.19%

Net assets attributable to the shareholders of the listed company (Yuan)	2,359,913,659.75	2,151,482,467.52	9.69%
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Items and amount of non-current gains and losses

Applicable  Not applicable

In RMB

Items	Amount from beginning of the year to the end of the report period	Notes
Income equal to the amount by which investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments	88,485,792.54	The main reason is the acquisition of Acura Kliniken Baden-Baden GmbH Co., Ltd.
Other gains and losses that meet definition of nonrecurring gain/loss	113,437,382.46	The main reason is the receipt of compensation from Hualian Development Group Co., Ltd.
Less: Amount of influence of income tax	42,959,501.39	
Total	158,963,673.61	--

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.

**II. Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period****1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders**

In shares

Total number of common shareholders at the period-end		67,825	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)		0	
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Chen Lue	Domestic Natural person	34.36%	583,454,556	581,340,196	Pledge	543,576,594
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 205 Henglifeng Single fund trust	Other	1.69%	28,708,000	0		
Rich Crown Investment Co., Ltd.	Foreign legal person	1.37%	23,235,313	0		
Huatai Securities Co., Ltd.	Huatai Securities Co., Ltd.	1.01%	17,128,720	0		

Qinghai Heyi Industry Development Co., Ltd.	Domestic Non-State-owned legal person	0.79%	13,357,084	0	Pledge	13,357,000
Song Wenguang	Domestic Natural person	0.55%	9,278,581	0		
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			
Bohai International Trust Co., Ltd. — Bohai Trust 205 Henglifeng Single fund trust	28,708,000	RMB Common shares	28,708,000			
Rich Crown Investment Co., Ltd.	23,235,313	Foreign shares placed in domestic exchange	23,235,313			
Huatai Securities Co., Ltd.	17,128,720	RMB Common shares	17,128,720			
Qinghai Heyi Industry Development Co., Ltd.	13,357,084	RMB Common shares	13,357,084			
Song Wenguang	9,278,581	Foreign shares placed in domestic exchange	9,278,581			
Cai Yu	9,000,000	RMB Common shares	9,000,000			
Huang Huaian	8,507,000	RMB Common shares	8,507,000			
Zhang Xubao	8,424,300	RMB Common shares	8,424,300			
Explanation on associated relationship or concerted action of the above shareholders	Mr. Chen Lue and Ms. He Feiyan are the unanimous persons; Union Development Group Co., Ltd. is the controlling shareholder of the Above –mentioned shareholder Union Holdings Co., Ltd. And Rich Grown Investment Co., Ltd. Holding Co., Ltd. and Rich Crown Investment Co., Ltd., The other tradable shareholders neither knew whether there exists					

	associated relationship between them.
Note to the top 10 common stockholders involved in margin financing & securities lending (If any)	Nil

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

Yes  No

Mr.Huang Huaian, an unlimited-sales condition shareholder, agreed on the buy-back of 1,493,000 shares-which accounts for 0.0879%.

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

Applicable  Not applicable

## II Significant Events

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

√ Applicable □ Not applicable

Items	This period/Year-end balance	Same period of the previous year/Year-beginning balance	Changes (%)	Remarks on the change
Notes receivable	168,722,253.97	288,201,562.88	-41.46%	Mainly result from the maturity of the notes
Advance Payment	515,501,256.41	225,208,527.88	128.90%	Main result from the mobilization of a great number of PPP Projects
Inventory	374,186,902.06	556,839,325.50	-32.80%	Mainly because the projects operation is smooth, and the inventory is turned into cost
Project under Construction	8,139,858.34	4,968,590.96	63.83%	Mainly result from the Expense of Purchasing Overseas Tower cranes
Fixed Asset	319,942,259.74	174,537,150.56	83.31%	Mainly result from the M&A of Acura Kliniken Baden-Baden GmbH
Intangible Asset	176,532,391.78	127,524,445.00	38.43%	Mainly result from the M&A of Acura Kliniken Baden-Baden GmbH
Notes Payable	1,325,439,811.58	906,597,988.15	46.20%	Mainly result from the most Payment of this Period by Notes
Predivted Liability	18,719,986.71	3,414,189.15	448.30%	Mainly result from the M&A of Acura Kliniken Baden-Baden GmbH
Deferred Tax Liability	40,689,117.48	26,088,961.71	55.96%	Mainly result from the M&A of Acura Kliniken Baden-Baden GmbH
Finance Expense	92,188,683.69	49,367,053.47	86.74%	Mainly from the Increased Loan from bank
Asset Impairment Loss	7,032,450.06	21,815,009.43	-67.76%	Mainly result from the Good Payment from Client in this Period
Non-operatiing Revenue	188,488,727.79	7,714.78	2443115.85%	Mainly result from the Land Compensation from Hualian and the Added Value of Germany Baden Hospital
Net Cash Flow from Operating Activity	809,676,459.22	-447,147,216.26	281.08%	Mainly result from the project's smooth operation and good payment from client.
Net Cash flow from	-624,966,136.18	182,667,608.55	-442.13%	Mainly result from the No. of repayment is

Financing Activity				more of this Period.
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## II. The progress of significant events and influence, as well as the analysis and explanation on resolving proposal.

√ Applicable □ Not applicable

1. October 2015, the company implemented the Plan of Major Asset Replacement and Issuance of Shares to Purchase the Asset Namely the Related Transaction and Raising the Matching Funds, but the land-that's located in Shenzhen Nanshan Nanyou Industrial Zone with the Land No. of T104-0054 and the total area of 20,032.1 square meters- and its above-ground buildings were not included in the evaluation scope of the major asset restructuring. In order to properly resolve the subsequent issues related to the land in this restructuring, during the reporting period, the Company-Union Development Group Co., Ltd and Mr. Chen Lue successively signed the "Framework Agreement on the Subsequent Matters after the Period for the Major Asset Restructuring of Shenzhen Victor Onward Textile Industrial Co., Ltd.". The "Economic Compensation Agreement for Subsequent Matters after the Period for the Major Asset Restructuring of Shenzhen Victor Onward Textile Industrial Co., Ltd." and the "Supplementary Agreement on the Economic Compensation Agreement for Subsequent Matters after the Period for the Major Asset Restructuring of Shenzhen Victor Onward Textile Industrial Co., Ltd.", and fulfilled the necessary review procedures for information disclosure obligations. On March 29, 2018, the Company received the economic compensation of RMB 100 million from Shenzhen Union Development Investment Co., Ltd designated by Union Development Group in connection to the above-mentioned matters.

Overview of material matters	Date of disclosing	Description of the website for disclosing provisional announcements
Union Development Group Co., Ltd pays compensation of RMB 100 million to the company	February 24,2018	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> : Announcement (after correction) on Voluntary Information Disclosure Concerning Union Development Group Co., Ltd Giving Compensation about RMB 100 million (Announcement No.:2018-029)
	March 13,2018	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> : Announcement of Resolutions of the 30th Meeting of the Seventh Board of Directors(Announcement No.:2018-36), Announcement on Signing the Economic Compensation Agreement and Changes in the Shareholder's Commitment Namely the Related Transaction(Announcement No.:2019-038)
	March 19,2018	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> : Announcement of Resolutions of the First provisional shareholders of 2018 (Announcement No.:2018-050)

2. On March 15th, 2018, the Baden Court made a ruling that the Bankruptcy Proceedings has ended officially. And in the reporting Period, the Company will consolidate it into Finance Statement based on its fair value, which increases the non-operating revenue.



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

Applicable  Not applicable

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

### IV. Prediction of Business performance for January- June 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

### V. Investment in securities

Applicable  Not applicable

No securities investment in period.

### VI. Investments in derivatives

Applicable  Not applicable

There is no derivative investment during the report period.

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

Applicable  Not applicable

Reception time	Way of reception	Types of visitors	Basic index
March 8,2018	Onsite investigation	Organization	The interactive relation with the investors on Shenzhen Stock Exchange platform about Sino Great Wall Co., Ltd: Record of the investors relations activities on March 8, 2018.

### VIII. External guarantee get out of line

Applicable  Not applicable

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

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

Applicable  Not applicable

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

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

April 27,2018