



Stock Code: 000613, 200613

Short Form of the Stock: Dadonghai -A, Dadonghai -B

海南大东海旅游中心股份有限公司

Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.



Annual Report 2019

Disclosure Date: 21 March 2020



Section I. Important Notice, Contents and Interpretation

Important Notice:

Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

Yuan Xiaoping, Principal of the Company, Fu Zongren, person in charge of accounting works and Fu Zongren, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of 2019 Annual Report is authentic, accurate and complete

All directors are attending the Board Meeting for Report deliberation.

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

Concerning the forward-looking statements with future planning involved in the Report, they do not constitute a substantial commitment for investors. Investors are advised to exercise caution of investment risks.

Content

Section I Important Notice, Contents and Interpretation.....	错误! 未定义书签。
Section II Company Profile and Main Financial Indexes.....	5
Section III Summary of Company Business.....	10
Section IV Discussion and Analysis of Operation.....	12
Section V Important Events.....	24
Section VI Particular about Changes in shares and shareholders.....	37
Section VII Preferred Stock.....	45
Section VIII Convertible Bonds.....	46
Section IX Particulars about Directors, Supervisors, Senior Executives and Employees.....	47
Section X Corporate Governance.....	54
Section XI Corporate Bond.....	62



Section XII Financial Report.....	63
Section XIII Documents available for reference.....	91



Interpretation

Items	Refers to	Contents
CSRC	Refers to	China Securities Regulation Commission
SSE	Refers to	Shenzhen Stock Exchange
<i>Company Law</i>	Refers to	<i>Company Law of The People's Republic of China</i>
<i>Securities Law</i>	Refers to	Securities Law of The People's Republic of China
<i>Rules of Listing</i>	Refers to	<i>Rules Governing the Listing of stocks on Shenzhen Stock Exchange</i>
Company or the Company	Refers to	Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.
<i>Article of Association</i>	Refers to	<i>Article of Association of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.</i>
Shareholders' General Meeting	Refers to	Shareholders' General Meeting of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.
Board	Refers to	Board of Directors of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.
Supervisory Committee	Refers to	Supervisory Committee of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.
Luoniushan, the largest shareholder	Refers to	Luoniushan Co., Ltd.
Yuan	Refers to	CNY/RMB
In the reporting period, the reporting period	Refers to	1 January 2019 to 31 December 2019

Major Risk Warning

Concerning the forward-looking statements with future planning involved in the Report, they do not constitute a substantial commitment for investors. Investors are advised to exercise caution of investment risks.

Securities Times, *Hong Kong Commercial Daily* and Juchao Website (www.cninfo.com.cn) are the media for information disclosure appointed by the Company for year of 2020, all information under the name of the Company disclosed on the above said media shall prevail.

The report is prepared in bilingual versions of Chinese and English respectively, in the event of any discrepancy in understanding the two aforementioned versions, the Chinese version shall prevail.

Investors are advised to exercise caution of investment risks.



Section II Company Profile and Main Financial Indexes

I. Company information

Short form of the stock	Dadonghai -A, Dadonghai -B	Stock code	000613, 200613
Short form of the Stock after changed	N/A		
Stock exchange for listing	Shenzhen Stock Exchange		
Name of the Company (in Chinese)	海南大东海旅游中心股份有限公司		
Short form of the Company (in Chinese)	大东海		
Foreign name of the Company	Hainan Dadonghai Tourism Centre (Holdings) Co.,Ltd.		
Foreign name of short form of the Company	DADONGHAI		
Legal representative	Yuan Xiaoping		
Registrations add.	Dadonghai Sanya		
Code for registrations add	572021		
Offices add.	Dadonghai Sanya		
Codes for office add.	572021		
Company website	—		
Email	hddhhn@21cn.com		

II. Person/Way to contact

	Secretary of the Board	Rep. of security affairs
Name	Wang Hongjuan	
Contact add.	Dadonghai Sanya	
Tel.	0898-88219921	
Fax.	0898-88214998	
E-mail	hddhhn@21cn.com	

**III. Information disclosure and preparation place**

Newspaper appointed for information disclosure	<i>Securities Times, Hong Kong Commercial Daily</i>
Website for annual report publish appointed by CSRC	www.cninfo.com.cn
Preparation place for annual report	Security department of the Company

IV. Registration changes of the Company

Organization code	Unified social credit code 91460000201357188U
Changes of main business since listing	No changes
Previous changes for controlling shareholders	<p>1. The Company listed A-stock in January 1997, and 96.327 million A-stock shares are held by Hainan Dadonghai Tourism Centre Group Co., Ltd., a 26.46% in total share capital of the Company and is the first majority shareholder of the Company also.</p> <p>2. On 25 December 1998, the shares held by Hainan Dadonghai Tourism Centre Group Co., Ltd were transfer to Sanya ABC through the courts of justice, and after obtained the shares in December 1998, Sanya ABC entrust wholly-owned subordinate enterprise Sanya Bank-Agriculture Industrial Development Corp. to hold the aforesaid shares, than the first majority shareholder of the Company comes to Sanya Bank-Agriculture Industrial Development Corp.</p> <p>3. On 12 December 2000, the aforesaid equity was stripped to name of China Greatwall Assets Management Corporation, the first majority shareholder of the Company.</p> <p>4. On 19 September 2001, China Greatwall Assets Management Corporation entered into "Equity Transfer Agreement" with Haikou Food Co., Ltd for 60 million shares transfer; and gained approval of [2002] No.: 430 from Ministry of Finance dated 18 October 2002, than the first majority shareholder of the Company comes to Haikou Food Co., Ltd.</p> <p>5. On 24 April 2008, Haikou Agriculture & Industry & Trade Luoniushan Co., Ltd. entered into the "Statement", confirmed that the 60 million shares held by Haikou Food Co., Ltd. were under the name of Haikou Agriculture & Industry & Trade Luoniushan Co., Ltd., the shares' ownership have been transfer dated 29 January 2010. Therefore, Haikou Agriculture & Industry & Trade Luoniushan Co., Ltd. comes to the first majority shareholder of the Company.</p>

V. Other relevant information

CPA engaged by the Company

Name of CPA	BDO CHINA Shu Lun Pan Certified Public Accountants LLP
Offices add. for CPA	4# Building, No. 61, Nanjing Rd.(E), Shanghai
Signing Accountants	Li Jinhua, Zhu Meirong

Sponsor engaged by the Company for performing continuous supervision duties in reporting period

 Applicable Not applicable



Financial consultant engaged by the Company for performing continuous supervision duties in reporting period

Applicable Not applicable

VI. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data

Yes No

	2019	2018	Changes over last year	2017
Operating income (RMB)	25,935,405.44	29,515,592.33	-12.13%	27,906,564.23
Net profit attributable to shareholders of the listed company (RMB)	756,721.46	653,282.19	15.83%	2,858,998.66
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-1,078,091.71	816,346.09	-232.06%	779,389.74
Net cash flow arising from operating activities (RMB)	4,713,661.51	6,783,893.26	-30.52%	5,127,288.47
Basic earnings per share (RMB/Share)	0.0021	0.0018	16.67%	0.0079
Diluted earnings per share (RMB/Share)	0.0021	0.0018	16.67%	0.0079
Return on Equity	0.97%	0.84%	0.13%	3.78%
	Year-end of 2019	Year-end of 2018	Changes over end of last year	Year-end of 2017
Total assets (RMB)	87,521,184.25	88,197,118.07	-0.77%	87,466,661.80
Net assets attributable to shareholder of listed company (RMB)	78,486,603.96	77,788,696.29	0.90%	77,135,414.10

VII. Difference of the accounting data under accounting rules in and out of China

1. Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either IAS (International Accounting Standards) or Chinese GAAP (Generally Accepted Accounting Principles) in the period.

2. Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either foreign accounting rules or Chinese GAAP (Generally Accepted Accounting Principles) in the period.

**VIII. Quarterly main financial index**

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	9,293,216.58	4,948,744.46	3,650,589.50	8,042,854.90
Net profit attributable to shareholders of the listed company	1,572,029.88	-816,055.87	-1,154,883.19	1,155,630.64
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	1,572,029.88	-976,086.33	-2,140,780.97	466,745.71
Net cash flow arising from operating activities	1,436,500.57	-167,083.92	-222,628.08	3,666,872.94

Whether there are significant differences between the above-mentioned financial index or its total number and the relevant financial index disclosed in the company's quarterly report and semi-annual report

Yes No

IX. Items and amounts of extraordinary profit (gains)/loss

Applicable Not applicable

In RMB

Item	2019	2018	2017	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	2,151.45	-29,691.26	-30,016.43	Income from disposal of fixed assets
Governmental subsidy calculated into current gains and losses(while closely related with the normal business of the Company, excluding the fixed-amount or fixed-proportion governmental subsidy according to the unified national standard)	292,643.89			Rewards for development of inbound tourism market supporting by the government and tax credit for the VAT input tax surcharge
Capital occupation fees charged by non financial enterprises recorded in the current profits and losses			805,825.24	
Other non-operating income and expenditure except for the aforementioned items	1,540,017.83	-133,372.64	1,303,800.11	Income from compensation and liquidation
Total	1,834,813.17	-163,063.90	2,079,608.92	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies*



Offering Their Securities to the Public --- Extraordinary Profit/loss, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

Applicable Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*



Section III Summary of Company Business

I. Main businesses of the company in the reporting period

The Company's main business is hotel accommodation and catering services. Procurement of goods is mainly the goods and materials necessary for hotel and catering operations by taking the principle of low price and fine quality, some goods are purchased by directly signing purchase contracts with suppliers, and some good are purchased by procurement agents. The operation are mainly including the network billing and overseas travel agency team, and supplemented by the individual travelers of non-internet marketing and business and the tourists from travel agencies. The hotel is located at the central zone of Dadonghai scenic spot in Sanya City, Hainan Province, and it has become a member of the nationwide famous hotels because of the convenient transportation, beautiful environment, long history, and rich culture. However, in recent years, the local high-, middle- and low-grade hotels or guesthouses numerously emerge, resulting in the supply much larger than the market demand, the industry competition is rather fierce, and the pressure of decline in business remains.

II. Major changes in main assets

1. Major changes in main assets

Major assets	Note of major changes
Monetary funds	Decreased RMB 7.94 million with a decrease of 52% compared with the end of last year, mainly because RMB 12.72 million invested in decoration and renovation of the hotel, net cash flow from operation activities have RMB 4.71 million increased.
Other current assets	Increased RMB 0.73 million with an increase of 39% compared with the end of last year,mainly because the VAT input tax to be deductible increased.
Long-term deferred expenses	Increased RMB 8.73 million with an increase of 312% compared with the end of last year, mainly due to the decoration and renovation of the hotel.

2. Main overseas assets

Applicable Not applicable

III. Core Competitiveness Analysis

The Company takes hotel accommodation and catering services as the principle works, locates at Dadonghai bay which is one of the China “Top 40 scenery” and the only AAAA scenic spot open for free in Sanya and has the maximum passenger flow volume in Sanya City, and is about a 5-minute drive from downtown of Sanya City and



about a 30-minute drive from Sanya Phoenix Airport. The hotel is only tens of meters distant from the sea level, possesses beautiful landscaping full of blooming flowers all the year round, and enjoys exceptional geography, natural environmental advantages. The hotel has opened for more than two decades which is one of the oldest hotels in Sanya and has received many domestic and foreign heads of state and national leaders. In the recent years, the Company has comprehensively upgraded and rebuilt the hotel's software and hardware facilities, further improved the hotel's internal and external business environment, and effectively enhanced the business competitiveness. Currently, the management of the company's hotel is still in the front rank among hotels in the same area, with the same scale, and at the same level.

In the future work, the Company will keep trying to improve the hotel's internal and external business environment, strengthen the sales efforts and the staff construction, and further improve the operational capability. During the reporting period, the Company's core competence had no significant change.



Section IV Discussion and Analysis of Operation

I. Introduction

During the reporting period, the company realized main business income of 25,935,400 Yuan, decreased by 3,580,200 Yuan compared with the same period last year (Building A of the Hotel was closed for five months due to the decoration), a decrease of 12.13%; realized operating profit loss of 785,400 Yuan, decreased by 1,601,700 Yuan compared with the same period last year, a decrease of 196.21%; net non-operating income of 1,542,200 Yuan, increased by 1,705,200 Yuan compared with the same period last year, an increase of 1045.74%; net profit of 756,700 Yuan, increased by 103,400 Yuan compared with the same period last year, an increase of 15.83%.

During the reporting period, the Company focus on market-oriented, actively to exploited the sales channel, enlarge the construction of software and hardware equipment, strengthening enterprise culture construction as well as the employee team-building, strictly controlling the cost management, we completed the operation targets that formulated at beginning of the year basically. Main works are as:

1. Continue to be market-oriented and actively expand marketing channels

During the reporting period, the company continued to be market-oriented and had a flexible marketing mechanism. While further strengthening its existing customers, it also strengthened its cooperation with various well-known online sales platforms, domestic and overseas travel agencies, and first- and second-tier city direct sales travel agencies, and actively expanded the online markets, the Russian market and the Southwest, North China, East China and South China markets, which effectively increased the market share. During the reporting period except for the renovation period, the company's overseas sales revenue, online sales revenue, conference team and travel agency sales revenue of individual customers increased compared with the same period last year.

2. Increase the construction of hotel software and hardware equipment and facilities, improve product quality and enhance competitiveness

During the reporting period, the hotel rooms and lobby could not meet the market demand due to being severely aged and unrepaired for a long period of time. Therefore, the company carried out a comprehensive design, decoration and renovation to all the guest rooms and lobby, restaurant, and slab pavement of Building A of the hotel during the off-season, and comprehensively updated the corresponding equipment and facilities. At the same time, in accordance with the "people-oriented" concept of employment, the company strengthened corporate culture and staff building, enriched the cultural life of employees, created a harmonious working environment, and innovated employee management systems. Based on the business philosophy of "strengthening the company with quality", the company continuously strengthened hotel management and skills training for employees to improve



their basic knowledge and post-service business capabilities, strengthened employees' business level, service awareness, responsibility awareness and quality awareness, effectively improved the hotel service quality and management level, and enhanced the quality and comprehensive competitiveness of hotel products.

3. Keep strict cost control, standardize business management, improve internal control system, and maximize corporate benefits

During the reporting period, the company continued to strengthen procurement cost control management and budget management, implemented diversified procurement cost inquiry channels, scientifically controlled operating costs, strictly and reasonably controlled various expenses, and carried out regular inspections and repairs to eliminate waste of resources and increase the reasonable degree of procurement costs and the revenue cost-effectiveness, strengthened financial business management, and cleaned up and written off the long-term on credit accounts payable in the business process in accordance with relevant regulations. At the same time, the Company continued to improve the internal control system, strengthen regulation and implementation of internal control system, strengthen the effective implementation of internal control work, reduce risks and consumption, increase revenue and control expenditures, emphasize production safety and improve operational efficiency, and thus maximize the interests of the Company as a whole.

In 2020, the Company will strengthen the prevention and control of novel coronavirus epidemic, and continue to consolidate and expand the sales channel, improve the product quality of the hotel and service standards, enhance comprehensive competitive ability in order to lay a solid foundation for the Company's sustainable, stable and healthy development.

II. Main business analysis

1. Introduction

See the "I-Introduction" in "Discussion and Analysis of Operation"

2. Revenue and cost

(1) Constitute of operation revenue

In RMB

	2019		2018		Increase/decrease y-o-y
	Amount	Ratio in operation revenue	Amount	Ratio in operation revenue	
Total of operation revenue	25,935,405.44	100%	29,515,592.33	100%	-12.13%
According to industries					



Tourism catering service	22,782,376.82	87.84%	26,442,049.47	89.59%	-13.84%
Other business	3,153,028.62	12.16%	3,073,542.86	10.41%	2.59%
According to products					
Room revenue	20,039,795.13	77.26%	22,731,299.15	77.02%	-11.84%
Catering entertainment revenue	2,742,581.69	10.58%	3,710,750.32	12.57%	-26.09%
Other business	3,153,028.62	12.16%	3,073,542.86	10.41%	2.59%
According to region					
Hainan area	25,935,405.44	100.00%	29,515,592.33		-12.13%

(2) About the industries, products, or regions accounting for over 10% of the company's operating income or operating profit

√Applicable □ Not applicable

In RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross profit ratio y-o-y
According to industries						
Tourism catering service	22,782,376.82	10,608,243.38	53.44%	-3,659,672.65%	-672,431.16%	-3.90%
Other business	3,153,028.62	474,523.56	84.95%	79,485.76%	0.00%	0.39%
According to products						
Room revenue	20,039,795.13	9,178,168.10	54.20%	-2,691,504.02%	-128,949.51%	-4.86%
Catering entertainment revenue	2,742,581.69	1,430,075.28	47.86%	-968,168.63%	-543,481.65%	1.04%
Other business	3,153,028.62	474,523.56	84.95%	79,485.76%	0.00%	0.39%
According to region						
Hainan area	25,935,405.44	11,082,766.94	57.27%	-3,580,186.89%	-672,431.16%	-2.91%

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

□ Applicable √ Not applicable

**(3) Income from physical sales larger than income from labors** Yes No**(4) Fulfillment of the company's signed significant sales contracts up to this reporting period** Applicable Not applicable**(5) Constitute of operation cost**

Industry classification

In RMB

Industry classification	Item	2019		2018		Increase/decrease y-o-y
		Amount	Ratio in operation cost	Amount	Ratio in operation cost	
Tourism catering service	Raw material	1,389,703.69	12.54%	1,973,556.93	16.79%	-29.58%
Tourism catering service	Salary welfare	1,984,548.41	17.91%	2,092,195.74	17.80%	-5.15%
Tourism catering service	Social security fund	384,039.29	3.47%	391,177.51	3.33%	-1.82%
Tourism catering service	Water and electricity	1,314,413.76	11.86%	1,355,721.99	11.53%	-3.05%
Tourism catering service	Depreciation	2,175,783.50	19.63%	2,160,828.69	18.38%	0.69%
Tourism catering service	Repair cost	1,624,631.03	14.66%	1,319,951.97	11.23%	23.08%
Tourism catering service	Washing fee	585,680.00	5.28%	680,236.96	5.79%	-13.90%
Tourism catering service	Total cost	11,082,766.94	95.72%	11,755,198.10	95.96%	-5.72%

Note: nil

(6) Whether the changes in the scope of consolidation in Reporting Period Yes No**(7) Major changes or adjustment in business, product or service of the Company in Reporting Period** Applicable Not applicable

**(8) Major sales and main suppliers**

Major sales client of the Company

Total top five clients in sales (RMB)	17,375,812.68
Proportion in total annual sales volume for top five clients	67.00%
Ratio of related parties in annual total sales among the top five clients	0.00%

Information of top five clients of the Company

Serial	Name	Sales (RMB)	Proportion in total annual sales
1	Sanya Haolide International Travel Service Co., Ltd.	7,071,329.00	27.27%
2	Sanya Youyi International Travel Agency Co., Ltd.	5,816,013.00	22.42%
3	Shanghai Hecheng International Travel Service Co., Ltd.	2,005,086.28	7.73%
4	Alipay (China) Network Technology Co., Ltd.	1,460,917.40	5.63%
5	Sanya Shengda International Travel Agency Co., Ltd.	1,022,467.00	3.94%
Total	--	17,375,812.68	67.00%

Other situation of main clients: nil

 Applicable Not applicable

Main suppliers of the Company

Total purchase amount from top five suppliers (RMB)	6,355,928.10
Proportion in total annual purchase amount for top five suppliers	83.65%
Ratio of related parties in annual total sales among the top five suppliers	0.00%

Information of top five suppliers of the Company

Serial	Name	Sales (RMB)	Proportion in total annual sales
1	Sanya Power Supply Bureau of Hainan Power Grid	2,421,353.18	31.87%
2	Sanya Yunfang Food Distribution Co., Ltd.	2,256,666.21	29.77%
3	Sanya Sino French Water Co., Ltd.	680,904.38	8.96%
4	Sanya Zhengzhuang Industrial Co., Ltd.	588,857.60	7.75%
5	Sanya Changfeng Ocean Natural Gas Supply Co., Ltd.	408,146.73	5.37%
Total	--	6,355,928.10	83.65%

Other notes of main suppliers of the Company



Applicable Not applicable

3. Expenses

In RMB

	2019	2018	Increase/decrease y-o-y	Note of major changes
Sales expense	5,606,474.47	5,619,079.95	-0.22%	-
Management expense	9,772,412.86	10,133,021.97	-3.56%	-
Financial expense	-175,760.38	-188,278.60	6.65%	-

4. R&D expenses

Applicable Not applicable

5. Cash flow

In RMB

Item	2019	2018	Y-o-y changes
Subtotal of cash in-flow from operation activity	29,918,529.05	33,598,344.85	-10.95%
Subtotal of cash out-flow from operation activity	25,204,867.54	26,814,451.59	-6.00%
Net cash flow from operation activity	4,713,661.51	6,783,893.26	-30.52%
Subtotal of cash in-flow from investment activity	68,870.00		100.00%
Subtotal of cash out-flow from investment activity	12,723,946.92	1,101,145.12	1,055.52%
Net cash flow from investment activity	-12,655,076.92	-1,101,145.12	-1,049.27%
Net increase of cash and cash equivalent	-7,941,415.41	5,682,748.14	-239.75%

Main reasons for y-o-y major changes in aspect of relevant data

Applicable Not applicable

1. Subtotal of cash in-flow from investment activity has 100% increase over the year earlier, mainly because there is a “Net cash received from disposal of fixed assets, intangible assets and other long-term assets” occurred in the period while no such items last year;
2. Subtotal of cash out-flow from investment activity has 1055.52% increase over the year earlier, mainly because the “Cash paid for purchasing fixed assets, intangible assets and other long-term assets” has 1056% up over that of last year;
3. Net increase of cash and cash equivalent decreased 239.752% over last year, mainly resulted by the follow: the net cash flow from



operation activity decreased 30.52% over last year and net cash flow from investment activity decreased 1049.27% over last year.

Reasons of major difference between the cash flow of operation activity in report period and net profit of the Company

Applicable Not applicable

III. Analysis of the non-main business

Applicable Not applicable

IV. Assets and liability

1. Major changes of assets composition

In RMB

	Year-end of 2019		Year-begin of 2019		Ratio changes	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	7,422,939.89	8.48%	15,364,355.30	17.43%	-8.95%	-
Account receivable	311,083.92	0.36%	388,694.02	0.44%	-0.08%	-
Inventory	254,257.19	0.29%	221,390.19	0.25%	0.04%	-
Investment real estate	7,909,956.87	9.04%	8,384,480.43	9.51%	-0.47%	-
Fix assets	35,075,195.98	40.08%	36,497,869.65	41.41%	-1.33%	-
Construction in progress	488,522.10	0.56%		0.00%	0.56%	-
Other current assets	2,574,442.57	2.94%	1,846,219.79	2.09%	0.85%	-
Long-term amortization expenses	11,520,179.33	13.16%	2,792,876.07	3.17%	9.99%	-

2. Assets and liability measured by fair value

Applicable Not applicable

3. Assets right restriction till end of reporting period

Nil

V. Investment

1. Overall situation

Applicable Not applicable

**2. The major equity investment obtained in the reporting period** Applicable Not applicable**3. The major non-equity investment doing in the reporting period** Applicable Not applicable**4. Financial assets investment****(1) Securities investment** Applicable Not applicable

The company had no securities investment in the reporting period.

(2) Derivative investment Applicable Not applicable

The Company has no derivatives investment in the reporting period.

5. Application of raised proceeds Applicable Not applicable

The Company has no application of raised proceeds 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 main holding company and stock-jointly companies** Applicable Not applicable

Particular about main subsidiaries and stock-jointly companies net profit over 10%

In RMB

Company name	Type	Main business	Register capital	Total assets	Net Assets	Operating revenue	Operating profit	Net profit



Hainan Wengao Tourism Resources Development Co., Ltd.	Subsidiary	Tourism developm ent	1000000	1,000,956.00	1,000,908.20	0.00	1,152.73	1,139.93
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Notes of holding and shareholding companies

Applicable Not applicable

Explanation on main holding and share-holding enterprise

VIII. Structured vehicle controlled by the Company

Applicable Not applicable

IX. Future Development Prospects

1. Industrial development trend and competition facing the Company

Sanya is the only tropical seaside city in China with a world-leading eco-environment, and has a wonderful air quality that can be numbered in China, it owns an abundant marine resources with unique resource advantage. Sanya has a geographical position advantage and under the help of preferential policy of duty-free for the internationalization of tourism island, with the improvement of people's life quality in recent years, and enhancement of tourism consumption consciousness as well as the smog air and cold climate outside the island, the tourism market prospects has a good trend in Hainan. However, in reporting period, with the slow growth of global economic, and vigorous development in the tourist attractions in and around the country, the consumption costs in Sanya comes more and more expensive, the tourist diversion and the supply far greater than the demand while home inn hotel rapidly expanding blindly, the market competition comes more and more intensify. In addition, with the soaring operation costs and expenditures for the salary of hospitality industry in Sanya and shrinking operation profit, the hotel industry faced a downward pressure on operation.

In the future work, the company will continue to strengthen the updating and transformation of the hotel's equipment and facilities, improve and upgrade the hardware and software equipment and facilities and the quality of internal and external business environment, enhance the construction of enterprise culture and staff teams, improve service level and service quality, actively expand the sales channels, make full use of the internet platform, expand the sales network, increase the market share, and further improve the management level and core competitiveness.

2. Future development plans and operation plan for year of 2020

(1) Market-oriented, continues to improve the quality management of the software equipment and facilities in the Hotel, enhancing the hotel brand image, expanding market channel, and center with enterprises performance, making the brand more bigger and stronger driven by pioneer and invent.

(2) Continue to expand financing channels, actively promote the restructuring works, enrich the industrial construction, widen the company size, increased more profit points in order to strengthen the sustainability, stable



and healthily of the operation.

(3) Continue to perfect the corporate governance structure, standardize the management and operation, and effectively control the risks.

3. Fund demands and use plan required for the future development of the Company

The Company utilizes owned funds or financing methods to raise the funds demanded for development, and completes the development planning of the Company.

4. The risks may cause adverse effects on the future development strategy and realization of operation target of the Company

(1) Marco Policy risks

In order to normalize and optimize tourism market or further to promote clear-party construction, related departments may further issue some relative policies. While these polices may cause restrain and effect on regional tourism development. Main business income may be affected since we are engaged in tourism service.

Countermeasures: The Company will further to improve the hard and soft equipment and facilities of the hotel while expanding the business scope, and win more market shares via high-class service and comfortable environment so as to ensure the main business income level.

(2) Natural disaster risks

In recent years, various natural disasters take place frequently, Hainan Island belongs to oceanic climate, where has high incidence of disastrous weather in summer. If Sanya becomes the landing place of typhoon, it may cause great damages to the facilities of the Company and affect the Company's normal operation.

Countermeasures: The Company will strengthen the construction and maintenance for infrastructure, continue to buy property insurances, positively adopt effective prevention measures, and improve the ability of resisting natural disasters.

(3) Risks of HR

Demand for talent in aspect of hotel sales and management are increasingly due to the constantly rise of hotel industry, flow of hotel talented people comes more widespread and more frequent, we may face the risks of development restrained from brain drain.

Countermeasure: we will continue to improved the talent introduction, training system, incentive mechanism, remuneration and welfare as well as insurance mechanism, strive to attract talent, cultivate them and retain them. Meanwhile, strengthen staff quality and skills as well as the management ability, further putting more efforts in enterprise culture construction, enhance the cohesion in the Company, and guarantee a stable of the core management and skill technicians.

(4) Operational risks of main business

The global epidemic situation of the novel coronavirus is serious, tourism and travel service industry suffered



heavy losses due to the suspension for epidemic prevention. Moreover, main business of the Company is to operate a small hotel which has single main operations, the operation of limited projects, the tourism market situation and numbers of the tourists have a greater impact on the Company's performance directly.

Countermeasures: scientific management and decision-making should be adopted to strengthen the awareness of epidemic prevention and risk prevention. Establish and improve relevant systems and standardize the management. Furthermore, continue to make use of the off-season, upgrading the decoration of Building B and its annex building and the Building C for improving the product quality effectively. Increase the sales force, on basis of the original sales network, continues to develop high-end tourism market in and out of China with the superior geographical location and environmental advantages, improve occupancy rate. In addition, continue to expand the financing channels and business projects, enrich the industrial structures for earning more growth points in profit.

X. Reception of research, communication and interview

1. In the report period, reception of research, communication and interview

√Applicable □ Not applicable

Time	Way	Type	Basic situation index of investigation
2019-10-11	Telephone communication	Individual	Investor Mr./Ms. Hu from Beijing, operation performance of the 3Q and disclosure date, no materials required
2019-10-30	Telephone communication	Individual	Investor Mr./Ms. Wang from Shanghai, share-merger reform performance by the majority shareholders and no material required
2019-11-12	Telephone communication	Individual	Investor Mr./Ms. Long from Shenzhen, lawsuit of the Company and no material required
2019-11-28	Telephone communication	Individual	Investor Mr./Ms. Lin from Guangdong, information of the release of the restricted shares etc., and no material required
2019-12-03	Telephone communication	Individual	Investor Mr./Ms. Chen from Hainan, information of the listing for employee shares etc., and no material required
2019-12-20	Telephone communication	Individual	Investor Mr./Ms. Zhang from Guangdong, annual operation performance of the Company and no material required
Reception (times)			28
Number of hospitality			0
Number of individual reception			28
Number of other reception			0
Disclosed, released or let out major undisclosed information			No



Section V. Important Events

I. Profit distribution plan of common stock and capitalizing of common reserves plan

Formulation, Implementation and Adjustment of common stock Profit Distribution Policy Especially Cash Dividend policy during the Reporting Period

Applicable Not applicable

Profit distribution plan (pre-plan) of common stock and capitalizing of common reserves plan (pre-plan) in latest three years (including the reporting period)

According to the auditing reports issued by certified public accountants, the net income realized in nearly three years (including the reporting period) was used to make up the losses in the previous year; the undistributed profit during this reporting remained a minus. The Company did not take profit allocation nor capitalization of capital reserve during the reporting period.

Cash dividend of common stock in latest three years (including the reporting period)

In RMB

Year for bonus shares	Amount for cash bonus (tax included)	Net profit attributable to common stock shareholders of listed company in consolidation statement for bonus year	Ratio of the cash bonus in net profit attributable to common stock shareholders of listed company contained in consolidation statement	Proportion for cash bonus by other ways (i.e. share buy-backs)	Ratio of the cash bonus by other ways in net profit attributable to common stock shareholders of listed company contained in consolidation statement	Total cash bonus (including other ways)	Ratio of the total cash bonus (other ways included) in net profit attributable to common stock shareholders of listed company contained in consolidation statement
2019	0.00	756,721.46	0.00%	0.00	0.00%	0.00	0.00%
2018	0.00	653,282.19	0.00%	0.00	0.00%	0.00	0.00%
2017	0.00	2,858,998.66	0.00%	0.00	0.00%	0.00	0.00%

The Company gains profits in reporting period and the retained profit of common stock shareholders provided by parent company is positive but no plan of cash dividend proposed of common stock

Applicable Not applicable

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

Applicable Not applicable

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either for the year.

**III. Implementation of commitment****1. Commitments completed in Period and those without completed till end of the Period from actual controller, shareholders, related parties, purchaser and companies**

√Applicable □ Not applicable

Commitments	Promise	Type of commitments	Content of commitments	Commitment date	Commitment term	Implementation
Commitments for Share Merger Reform	Luoniushan Co., Ltd	Commitments for Share Merger Reform	On May 30, 2007, Luoniushan Co., Ltd. made commitments in the Company's "Instructions for reform of non-tradable shares" (Revision) and "Instructions for reform of non-tradable shares" (Abstract of revision) that in view of Dadonghai Company's losses in successive years and on the verge of delisting, in order to reverse the company's business difficulties, improve profitability and recover the continuous business capacity, Luoniushan Co., Ltd., the controlling shareholder of Dadonghai Company made commitments to actively seek restructuring parties to reorganize the assets of Dadonghai Company at the appropriate time.	2017-06-27	6 months	The original plans of material assets reorganization was terminated
Commitments in report of acquisition or equity change						
Commitments in assets reorganization						
Commitments make in initial public offering or re-financing						
Equity incentive commitment						
Other commitments for medium and small shareholders						
Completed on time (Y/N)	N					



<p>If the commitments is not fulfilled on time, shall explain the specify reason and the next work plan</p>	<p>The Company's stock commenced suspension of trading from the opening session on 15 February 2017 as it planned to fulfill its commitments. On 13 August 2017, 12 proposals relating to Material Asset Acquisition and Connected Transaction Report (Plan) of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. were denied at the 11th extraordinary general meeting of the 8th session of board of directors of the Company. On 15 August 2017, the Company announced to terminate this restructuring relating to material assets acquisition, and the stock of the Company commenced trading since 17 August 2017.</p> <p>On December 4, 2017, the board of directors and the board of supervisors of the company reviewed and approved the Proposal on the Change of Commitment Period of the First Majority Shareholder of the Company. Luoniushan Co., Ltd., the company's first majority shareholder planned for a two-year extension for the time limit of the company's restructuring commitment since December 27, 2017, that is, the deadline for the implementation of the restructuring commitment was changed to December 26, 2019. On December 22, 2017, the company's fourth extraordinary shareholders' meeting in 2017 did not approve the proposal.</p> <p>On January 31, 2018, the company received the Notice on Planning for Suspension of Major Events sent by Luoniushan Co., Ltd., the company's largest shareholder, to plan and prepare the major issues related to the company. Upon application by the company, the company's stock (stock short name: Dadonghai A, Dadonghai B, stock code: 000613, 200613) was suspended since the opening on January 31, 2018. Upon application by the company, the company's stock resumed trading on February 8, 2018, and was transferred to the major asset restructuring since the opening on February 14, 2018.</p> <p>On June 25, 2018, the company held the third interim meeting of the ninth board of directors which reviewed and approved the Proposal on Terminating the Planning for Major Asset Restructuring. After careful study, the board of directors of the company decided to terminate the planning for this major asset restructuring.</p> <p>At present, the company has no information that should be disclosed but not disclosed</p>
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2. Concerning assets or project of the Company, which has profit forecast, and reporting period still in forecasting period, explain reasons of reaching the original profit forecast

Applicable Not applicable

IV. Non-operational fund occupation from controlling shareholders and its related party

Applicable Not applicable

No non-operational fund occupation from controlling shareholders and its related party in period.



V. Explanation from Board of Directors, Supervisory Committee and Independent Directors (if applicable) for “Qualified Opinion” that issued by CPA

Applicable Not applicable

VI. Particulars about the changes in aspect of accounting policy, estimates and calculation method compared with the financial report of last year

Applicable Not applicable

1. Changes in significant accounting policies

(1) The Ministry of Finance promulgated the *Circular of the Ministry of Finance on Revising and Issuing the 2019 Versions of General Corporate Financial Statement Templates* (Cai Kuai [2019] No.6) on April 30, 2019, and *Revising and Issuing the 2019 Version of Consolidated Financial Statements Format* (Cai Kuai [2019] No.16) on September 19, 2019, to revise the general corporate financial statement templates. Main impacts are as follows:

Content of and reason for changes in accounting policies	Procedures for examination and approval	Name and amount of affected report item
In the balance sheet, "notes receivable and accounts receivable" are divided into "notes receivable" and "accounts receivable". "Notes payable and accounts payable" is divided into "notes payable" and "accounts payable". The comparison data are adjusted accordingly.	Resolution of the Board of Directors	"Notes receivable and accounts receivable" are divided into "notes receivable" and "accounts receivable". The balance of "notes receivable" at the end of last year is RMB 0, while the balance of "accounts receivable" at the end of last year is RMB 426,434.87; "Notes payable and accounts payable" are divided into "notes payable" and "accounts payable". The balance of "notes payable" at the end of the previous year is RMB 0 and the balance of "accounts payable" at the end of the previous year is RMB 1,607,835.81.

(2) In 2017, the Ministry of Finance revised *The Accounting Standards for Business Enterprises No. 22 -- Recognition and Measurement of Financial Instruments*, *The Accounting Standards for Business Enterprises No. 23 -- Transfer of Financial Assets*, *The Accounting Standards for Business Enterprises No. 24 -- Hedge Accounting*, and *The Accounting Standards for Business Enterprises No. 37 -- Presentation of Financial Instruments*. The revised standards stipulate that for financial instruments whose recognition has not been terminated on the first implementation date, if the previous recognition and measurement are inconsistent with the requirements of the revised standards, adjustments shall be made retroactively. If the data in the previous financial statements are not consistent with the revised standards, no adjustment is required. The Company will adjust



retained earnings and other comprehensive earnings for the cumulative impact of retroactive adjustments at the beginning of the year.

Based on the balance at the end of the previous year adjusted in accordance with the provisions of Cai Kuai [2019] No.6 and Cai Kuai [2019] No.16, the main impacts of the implementation of the new financial instrument standards are as follows:

Content of and reason for changes in accounting policies	Procedures for examination and approval	Name and amount of affected report item
Provision for expected credit losses is made for "financial assets measured at amortized cost" and "financial assets (debt instruments) measured at fair value and whose changes are included in other comprehensive income".	Board of Directors	Undistributed profit: RMB 58,813.79 decreased Accounts receivable: RMB 37,740.85 decreased Other receivables: RMB 21,072.94 decreased

On the basis of the balance at the end of the previous year adjusted in accordance with the provisions of Cai Kuai [2019] No.6 and Cai Kuai [2019] No.16, the classification and measurement results of financial assets and liabilities are as follows:

Consolidated

(Former Financial instruments standards) December 31, 2018			(New financial instruments standards) January 1, 2019		
Item	Measurement category	Book value	Item	Measurement category	Book value
Accounts receivable		426,434.87	Accounts receivable	Amortization cost	388,694.02
			Receivables financing	Measured at fair value and whose changes are recorded in other comprehensive income	
Other receivables	Amortization cost	458,242.73	Other receivables	Amortization cost	437,169.79

(3) Implementation of *Accounting Standard for Business Enterprises No. 7 - Exchange of Non-Monetary Assets* (revised in 2019)

The Ministry of Finance issued on May 9, 2019 by the *Accounting Standards for Enterprises No. 7 - Exchange of Non-Monetary Assets* (2019 revision) (Cai Kuai [2019] No. 8), the revised rules shall enter into force as of June 10, 2019, and the exchange of non-monetary occur between January 1, 2019 and the effective date, adjustments should be based on these criteria. The exchange of non-monetary assets prior to 1 January 2019 does not require



retroactive adjustment in accordance with the provisions of these guidelines. The Company's implementation of the above guidelines has no material impact during the reporting period.

(4) Implementation of *Accounting Standard for Business Enterprises No. 12 - Debt Restructuring* (revised in 2019)

The Ministry of Finance promulgated the *Accounting Standards for Business Enterprises No. 12 - Debt Restructuring* (2019 revision) (Cai Kuai [2019] No. 9) on May 16, 2019. The revised standards will be effective from June 17, 2019. For debt restructurings that occur before 1 January 2019, there is no need to make retroactive adjustments in accordance with the provisions of the code. The Company's implementation of the above guidelines has no material impact during the reporting period.

2. Changes in significant accounting estimates

No change in significant accounting estimates during the reporting period of the Company.

VII. Major accounting errors within reporting period that needs retrospective restatement

Applicable Not applicable

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

VIII. Compare with last year's financial report; explain changes in consolidation statement's scope

Applicable Not applicable

No change in consolidation statement's scope of the Company in the Period.

IX. Appointment and non-reappointment (dismissal) of CPA

Accounting firm appointed

Name of domestic accounting firm	BDO CHINA Shu Lun Pan Certified Public Accountants LLP
Remuneration for domestic accounting firm (in 10 thousand Yuan)	39
Continuous life of auditing service for domestic accounting firm	9
Name of domestic CPA	Li Jinhua, Zhu Meirong
Continuous fixed number of year for the auditing service provided by CPA in domestic CPA Firms	2

Re-appointed accounting firms in this period

Yes No

Appointment of internal control auditing accounting firm, financial consultant or sponsor

Applicable Not applicable



On 24 February 2019, the Company holding the 4th meeting of 9th session of the Board, and decided to appointed BDO CHINA Shu Lun Pan Certified Public Accountants LLP as the auditing institute of the internal control for year of 2019 and the decision has been deliberated and approved in general meeting of 2018. During the period, auditing fee 80,000 Yuan in total has been paid to the institute for internal control auditing.

X. Particular about suspended and delisting after annual report disclosed

Applicable Not applicable

XI. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in reporting period

XII. Significant lawsuits and arbitration of the Company

Applicable Not applicable

Basic situation of litigation (arbitration)	Amount involved (in 10 thousand and Yuan)	Whether to form an estimated liability	Litigation (arbitration) progress	Litigation (arbitration) trial results and impact	Execution of litigation (arbitration) judgment	Date of disclosure	Disclosure index



<p>The plaintiff, China Cinda Asset Management Co., Ltd. Hainan Branch, sued the defendants, Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. and Sanya Yueya Real Estate Development Corporation, for a financial loan contract dispute, appealing to Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. to repay the loan of 5 million Yuan and the loan interest of 29,311,700 Yuan temporarily calculated to April 30, 2018, Sanya Yueya Real Estate Development Corporation assumes the joint and several liability, and the two defendants bear litigation costs. In the course of the litigation, the plaintiff added the company as a co-defendant and required the court to order the company to assume joint and several liability for the above debts of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.</p>	3,431.17	No	Case closed	<p>The first instance judgment dismissed the claim of the plaintiff China Cinda Asset Management Co., Ltd. Hainan Branch, and the case acceptance fee and property preservation application fee were borne by China Cinda Asset Management Co., Ltd. Hainan Branch. The judgment of the first instance has no impact on the company, The second instance upheld the first-instance judgment, therefore, the lawsuit had no effect on the company's current profit and future profit.</p>	N/A	2018-11-22 ; 2019-1-5; 2019-1-31;	<p>Announcement on Significant Litigation (Announcement No.: 2018-061) published by Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.</p> <p>Announcement on Significant Litigation Progress (Announcement No.: 2019-001) published by Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.</p> <p>Announcement on Significant Litigation Progress (Announcement No.: 2019-003) published by Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.</p> <p>Announcement on Significant Litigation Progress (Announcement No.: 2019-013) published by Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.</p>
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<p>Hainan Dadonghai Tourism Centre Group Co., Ltd. borrowed 2.76 million yuan and 4.55 million yuan from Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. on October 16, 1996 and December 26, 1996 respectively. The two borrowings totaled 7.31 million yuan and haven't been repaid yet. The company submitted a "Civil Complaint" and related evidence materials to the Sanya Suburban People's Court (hereinafter referred to as the "Court").</p>	731	No	<p>At present, the case has been in court, and no court ruling has been received</p>	<p>The Company has written off the borrowings of the case in full amount in 2008. At present, and the company is unable to judge the impact of this lawsuit on the Company's current profit or future profit.</p>	N/A	2019-06-04	<p>Announcement on Significant Litigation (Announcement No.: 2019-017) published by Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.</p>
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XIII. Penalty and rectification

Applicable Not applicable

No penalty and rectification for the Company in reporting period.

XIV. Integrity of the company and its controlling shareholders and actual controllers

Applicable Not applicable

XV. Implementation of the company's stock incentive plan, employee stock ownership plan or other employee incentives

Applicable Not applicable

During the reporting period, the company has no stock incentive plan, employee stock ownership plan or other employee incentives that have not been implemented.

XVI. Major related party transaction

1. Related party transaction with routine operation concerned

Applicable Not applicable



Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle	Related transaction price	Related transaction amount (in 10 thousand and Yuan)	Proportion in similar transactions	Trading limit approved (in 10 thousand and Yuan)	Whether over the approved limit or not (Y/N)	Clearing form for related transaction	Available similar market price	Date of disclosure	Index of disclosure
Luoniushan Co., Ltd.	First major share holder	Consumption	Accommodation	Market price	Market price	12.45	0.62 %	0	Y	Same as the transaction with non-related party	Same as the transaction with non-related party		
Total				--	--	12.45	--	0	--	--	--	--	--
Detail of sales return with major amount involved										N/A			
Report the actual implementation of the daily related transactions which were projected about their total amount by types during the reporting period										N/A			
Reasons for major differences between trading price and market reference price										N/A			

2. Related transactions by assets acquisition and sold

Applicable Not applicable

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

3. Related transactions of mutual investment outside

Applicable Not applicable

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

4. Contact of related credit and debt

Applicable Not applicable

No contact of related credit or debt for the Company in the reporting period

5. Other significant related transactions

Applicable Not applicable

The company had no other significant related transactions in reporting period.

**XVII. Significant contract and implementations****1. Trusteeship, contract and leasing****(1) Trusteeship**

Applicable Not applicable

No trusteeship for the Company in reporting period

(2) Contract

Applicable Not applicable

No contract for the Company in reporting period

(3) Leasing

Applicable Not applicable

Note of leasing

Item	Tenant	Lease life	Term of lease
1/F restaurant of the Building B in Hotel	Ma Ming (Hainan Hangpai Food Co., Ltd.)	5 years	2016-01-01 to 2020-12-31
Shopping mall –Building B in Hotel	Li Fuming	3 years	2019-11-01 to 2022-10-31
Ground floor of Hotel A	Li Fuming	3 years	2019-02-28 to 2022-02-27
Seaside stall and wood house	Sanya Leda Food Management Co., Ltd.	5 years	2018-01-01 to 2022-12-31
Seaside locker room	Zhong Zhengao	3 years	2016-12-01 to 2019-11-30
Multi-functional meeting room	Li Fuming	5 years	2019-11-01 to 2024-10-31

Gains/losses to the Company from projects that reached over 10% in total profit of the Company in reporting period

Applicable Not applicable

Name of lessor	Name of the leasing party	Leasing assets	Leasing assets involved in the amount (in 10 thousand Yuan)	Lease start date	Lease termination date	Leasing income (in 10 thousand Yuan)	Basis for determining the leasing income	The impact of leasing income on the company	Whether be related transactions	Association relation
The Company	Ma Ming (Hainan Hangpai Food Co., Ltd.)	1/F restaurant of the Building B	1,886	2016-01-01	2020-12-31	75.6	Contract	Increase income	No	N/A



The Company	Sanya Leda Food Management Co., Ltd.	Seaside stall and wood house	653	2018-01-01	2022-12-31	145	Contract	Increase income	No	N/A
The Company	Zhong Zhengao	Seaside locker room	10	2016-12-01	2019-11-30	36	Contract	Increase income	No	N/A
The Company	Li Fuming	Muti-functional meeting room	190	2019-11-01	2024-10-31	30	Contract	Increase income	No	N/A

2. Major Guarantee

Applicable Not applicable

The Company had no guarantee in the reporting period.

3. Entrust others to cash asset management

(1) Trust financing

Applicable Not applicable

The Company had no trust financing in the reporting period.

(2) Entrusted loans

Applicable Not applicable

The company had no entrusted loans in the reporting period.

4. Other material contracts

Applicable Not applicable

No other material contracts for the Company in reporting period

XVIII. Social responsibility

1. Social responsibilities

Nil



2. Execution of social responsibility of targeted poverty alleviation

(1) Precision poverty alleviation program

Nil

(2) Annual precision poverty alleviation

Nil

(3) Accuracy of poverty alleviation

Nil

(4) Follow-up targeted poverty alleviation plans

Nil

3. Environmental protection

Listed company and its subsidiary belongs to the key pollution enterprise listed by Department of Environmental Protection

No

XIX. Explanation on other significant events

Applicable Not applicable

The Lawyer's Letter received by the Company 1: by preliminary accounting from Sanya Power Bureau, the 10313373 Kwh electricity was understated under the name of South China Hotel from July 2006 to April 2016. Found more in "Notice of Lawyer's Letter received by Hainan Dadonghai Tourism Center (Holdings) Co., Ltd." (Notice No.: 2016-016) released on Securities Times, Hong Kong Commercial Daily and Juchao Website dated 31 May 2016. The Company is communicated and negotiates with Sanya Power Bureau in the above mentioned event without negotiation results so far.

XX. Significant event of subsidiary of the Company

Applicable Not applicable



Section VI. Particulars about Changes in Shares and Shareholders

I. Changes in Share Capital

1. Changes in Share Capital

In Share

	Before the Change		Increase/Decrease in the Change (+, -)					After the Change	
	Amount	Proportion	New shares issued	Bonus shares	Capitalization of public reserve	Others	Subtotal	Amount	Proportion
I. Restricted shares	10,454,400	2.87%				-231,000	-231,000	10,223,400	2.81%
2.State-owned corporate shares	2,323,200	0.64%				-924,000	-924,000	1,399,200	0.38%
3. Other domestic shares	8,131,200	2.42%				693,000	693,000	8,824,200	2.42%
Including: Domestic legal person shares	7,900,200	2.17%				924,000	924,000	8,824,200	2.42%
Domestic natural person shares	231,000	0.06%				-231,000	-231,000	0	0.00%
II. Unrestricted shares	353,645,600	97.13%				231,000	231,000	353,876,600	97.19%
1. RMB common shares	265,645,600	72.96%				231,000	231,000	265,876,600	73.02%
2.Domestically listed foreign shares	88,000,000	24.17%						88,000,000	24.17%
III. Total shares	364,100,000	100.00%						364,100,000	100.00%

Reasons for share changed

√ Applicable □ Not applicable

And during the follow-up process of non-tradable shares reform, relevant shares are released in line with relevant regulations and some of the shareholders are repaying the advance money for another, thus the share structure of the Company changed in the Period while total shares remain the same.

Approval of share changed

□ Applicable √ Not applicable

Ownership transfer of share changes



Applicable Not applicable

Implementation progress of the share repurchases

Applicable Not applicable

Implementation progress of the reduction of repurchases shares by centralized bidding

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 or need to disclosed under requirement from security regulators

Applicable Not applicable

2. Changes of restricted shares

Applicable Not applicable

In Share

Shareholders' name	Number of shares restricted at Period-beg in	Number of shares released in the Year	Number of new shares restricted in the Year	Number of shares restricted at Period-end	Restriction reasons	Released date
Shenyang Jin'an Industrial Corporation	831,600	0	0	831,600	Legal commitment in share reform	After remove restricted procedures complete
Sanya Wangli Building Materials Sales	92,400	0	0	92,400	Legal commitment in share reform	After remove restricted procedures complete
Sanya Zhongxing Development Co., Ltd.	2,541,000	0	0	2,541,000	Legal commitment in share reform	After remove restricted procedures complete
Sanya Real Estate Valuation Agent	924,000	0	0	924,000	Legal commitment in share reform	After remove restricted procedures complete
Southern Industrial and Trading Corporation	660,000	0	0	660,000	Legal commitment in share reform	After remove restricted procedures complete
Hainan Branch of Bank of Communications Co., Ltd.	924,000	0	0	924,000	Legal commitment in share reform	After remove restricted procedures complete
Guangzhou Company of Hainan International Investment Co., Ltd.	660,000	0	0	660,000	Legal commitment in share reform	After remove restricted procedures complete



Hainan Dadonghai Tourism Co.	739,200	0	0	739,200	Legal commitment in share reform	After remove restricted procedures complete
Haikou Dongfang Urban credit Cooperative	924,000	0	0	924,000	Legal commitment in share reform	After remove restricted procedures complete
Guangzhou Dongzhan Industrial Co. LTD	924,000	0	0	924,000	Legal commitment in share reform	After remove restricted procedures complete
Hainan Hong Kong-Macao International Trade Development Co., Ltd.	924,000	0	0	0	Legal commitment in share reform	After remove restricted procedures complete
Special account for disposition of bankrupt enterprise property- Hong Kong-Macao International Hainan Investment Co., Ltd.	0	0	0	924,000	Legal commitment in share reform	After remove restricted procedures complete
Yangpu Tongrong Investment Management Consulting Co., Ltd.	79,200	0	0	79,200	Legal commitment in share reform	After remove restricted procedures complete
Zheng Youxiong	46,200	0	46,200	0	Legal commitment in share reform	After remove restricted procedures complete
Xiao Tiefeng	92,400	0	92,400	0	Legal commitment in share reform	After remove restricted procedures complete
Ma Xiaoping	92,400	0	92,400	0	Legal commitment in share reform	After remove restricted procedures complete
Total	10,454,400	0	231,000	10,223,400	--	--

II. Securities issuance and listing

1. Security offering (without preferred stock) in reporting Period

Applicable Not applicable

2. Changes of total shares and shareholders structure as well as explanation on changes of assets and liability structure

Applicable Not applicable

**3. Existing internal staff shares**

□ Applicable √ Not applicable

III. Particulars about shareholder and actual controller of the Company**1. Amount of shareholders of the Company and particulars about shares holding**

In Share

Total common stock shareholders in reporting period-end	34,148	Total common stock shareholders at end of last month before annual report disclosed	31,649	Total preference shareholders with voting rights recovered at end of reporting period	0	Total preference shareholders with voting rights recovered at end of last month before annual report disclosed	0	
Particulars about shares held above 5% by shareholders or top ten shareholders								
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Number of shares held at period-end	Changes in report period	Amount of restricted shares held	Amount of un-restricted shares held	Number of share pledged/frozen	
							State of share	Amount
Luoniushan Co., Ltd.	Domestic non state-owned corporate	17.55%	63,885,980	0	0	63,885,980	Pledged	44,720,186
Yang Meiqin	Domestic nature person	4.47%	16,279,028	0	0	16,279,028		
Pan Anjie	Domestic nature person	4.01%	14,593,598	0	0	14,593,598		
Hainan Ya'an Residence Property Service Co., Ltd.	Domestic non state-owned corporate	2.25%	8,205,800	0	0	8,205,800		
Chen Jinlian	Domestic nature person	2.13%	7,766,400	0	0	7,766,400		
Pan Aiping	Domestic nature person	1.13%	4,110,738	0	0	4,110,738		
China Investment Securities (HK) Co., Ltd. – customer deposit	Foreign corporate	0.99%	3,622,300	0	0	3,622,300		



Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign corporate	0.84%	3,056,390	0	0	3,056,390		
Zhang Fengxiu	Domestic nature person	0.84%	3,041,372	-860000	0	3,041,372		
Sun Huiming	Domestic nature person	0.79%	2,888,690	0	0	2,888,690		
Strategy investors or general legal person becomes top 10 shareholders due to rights issued	N/A							
Explanation on associated relationship or accordant action among the aforesaid shareholders	Among the above shareholders, Hainan Ya'an Residence Property Service Co., Ltd. is the wholly-owned subsidiary of Luoniushan Co., Ltd; Yang Meiqin, Pan Anjie, Chen Jinlian and Pan Aiping are the persons acting in concert; the Company is unknown whether there exists associated relationship or belongs to the consistent actor regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Company among the other shareholders.							
Particular about top ten shareholders with un-restrict shares held								
Shareholders' name	Amount of un-restrict shares held at Period-end	Type of shares						
		Type	Amount					
Luoniushan Co., Ltd.	63,885,980	RMB common share	63,885,980					
Yang Meiqin	16,279,028	Domestically listed foreign share	16,279,028					
Pan Anjie	14,593,598	Domestically listed foreign share	14,593,598					
Hainan Ya'an Residence Property Service Co., Ltd.	8,205,800	RMB common share	8,205,800					
Chen Jinlian	7,766,400	Domestically listed foreign share	7,766,400					
Pan Aiping	4,110,738	Domestically listed foreign share	4,110,738					
China Investment Securities (HK) Co., Ltd. – customer deposit	3,622,300	RMB common share	3,622,300					
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	3,056,390	Domestically listed foreign share	3,056,390					
Zhang Fengxiu	3,041,372	RMB common share	3,041,372					
Sun Huiming	2,888,690	Domestically listed foreign share	2,888,690					



Expiation on associated relationship or consistent actors within the top 10 un-restrict shareholders and between top 10 un-restrict shareholders and top 10 shareholders	Among the above shareholders, Hainan Ya'an Residence Property Service Co., Ltd. is the wholly-owned subsidiary of Luoniushan Co., Ltd. Yang Meiqin, Pan Anjie, Chen Jinlian and Pan Aiping are the persons acting in concert; the Company is unknown whether there exists associated relationship or belongs to the consistent actor regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Company among the other shareholders.
Explanation on shareholders involving margin business about top ten common stock shareholders with un-restrict shares held	N/A

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

Yes No

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

2. Controlling shareholder of the Company

Nature of controlling shareholders: community collective holding

Type of controlling shareholders: legal person

Controlling shareholders	Legal person/person in charge of the unit	Date of foundation	Organization code	Main operation business
Luoniushan Co., Ltd.	Xu Zili	1987-12-19	Unified social credit code 91460000284089747P	Planting and breeding industry; initiating industry; real estate development and management; building decoration works; sales of agricultural and animal by-products, aquatic products and feed processing(operates only for branch with voucher); machinery and automobile and motorcycle parts, electronic products, metal materials (except for the monopoly), chemical products (except for the monopoly), household appliances, modern office supplies, stationery, daily necessities, building materials, sales of agricultural and native products; the development and construction of trading market; leasing services; warehousing services; collecting and remitting water and electricity costs.
Equity of other domestic/oversea listed company control by controlling shareholder as well as stock-joint in report period	Found more details in full text of Annual Report 2019 of Luoniushan Co., Ltd.(Short form of the stock: Luoniushan, Stock code: 000735)			

Changes of controlling shareholders in reporting period

Applicable Not applicable

The Company had no changes of controlling shareholders in reporting period.

**3. Actual controller and persons acting in concert**

Nature of actual controller: domestic natural person

Type of actual controller: natural person

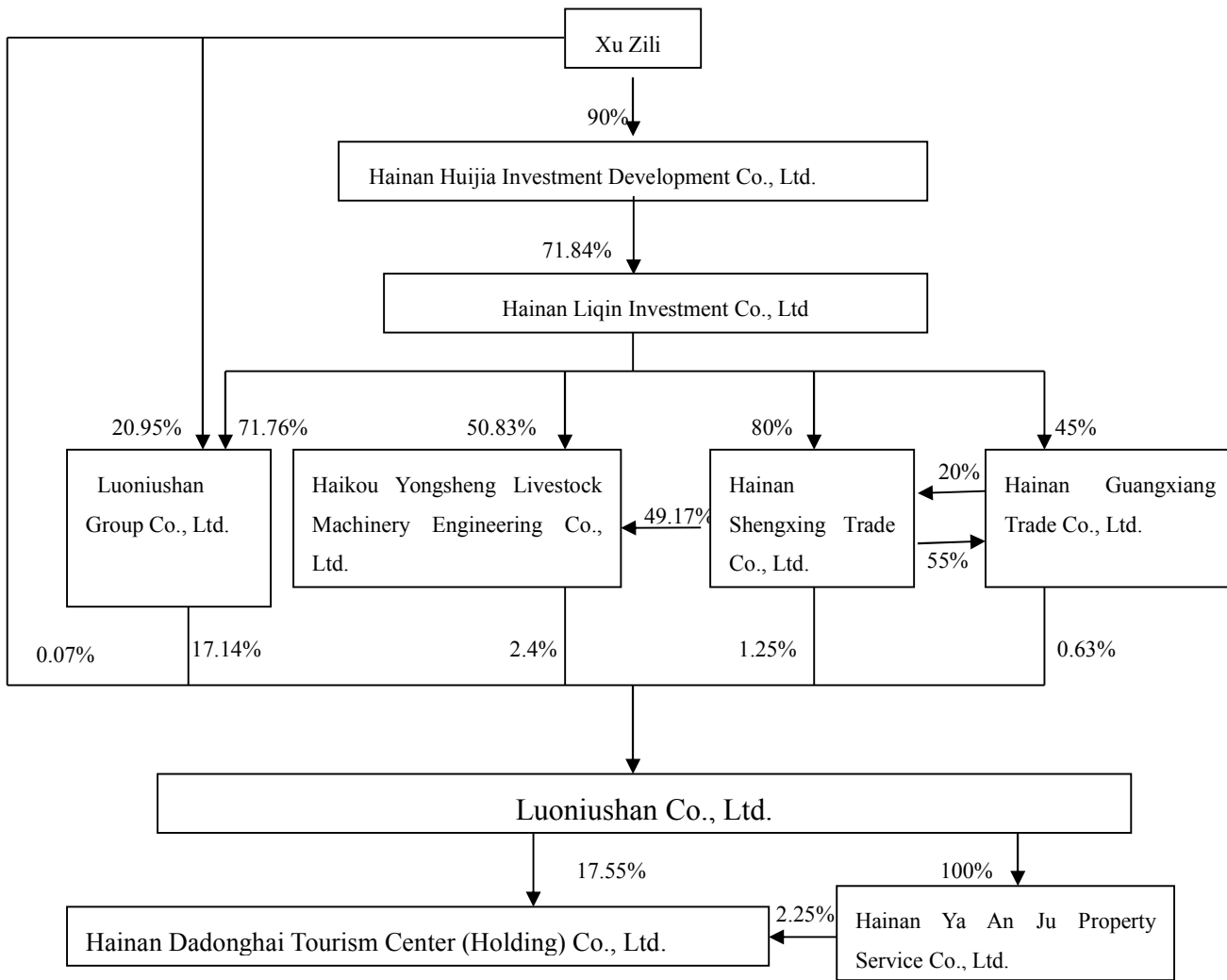
Name of actual controller	Relationship with the actual controller	Nationality	Whether obtained right of residence of other countries or regions or not
Xu Zili	Xu Zili himself	P.R.C	No
Main profession and title	Xu Zili, male, was born in 1966, is a senior engineer with a master degree. He successively served as Vice President of Hubei Huangshi Mine Bureau Machinery; General Manager of Haikou Animal Husbandry Machinery Engineering Co., Ltd.; Chairman of Tianjin Baodi Agricultural Technology Co., Ltd.; He had served as the 6 th and 7 th CPPCC member of Hainan Province. Vice Chairman and General Manager of the Company from August 2006 to November 2011; serves as Chairman of the Company since November 2011; now he takes as the 7 th CPPCC member of Hainan Province.		
Listed company in and out of China controlled in past decades	N/A		

Changes of actual controller in reporting period

Applicable Not applicable

No changes of actual controllers for the Company in reporting period.

Property right and controlling relationship between the actual controller and the Company is as follow:



Actual controller controlling the Company by entrust or other assets management

Applicable Not applicable

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

Applicable Not applicable

5. Limitation and reducing the holdings of shares of controlling shareholders, actual controllers, restructuring side and other commitment subjects

Applicable Not applicable



Section VII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the Period.



Section VIII Convertible Bonds

Applicable Not applicable

The Company had no convertible bonds in the Period



Section IX. Particulars about Directors, Supervisors, Senior

Executives and Employees

I. Changes of shares held by directors, supervisors and senior executives

Name	Title	Working status	Sex	Age	Start dated of office term	End date of office term	Shares held at period -begin (Share)	Amount of shares increased in this period (Share)	Amount of shares decreased in this period (Share)	Other changes (share)	Shares held at period-end (Share)
Yuan Xiaoping	Chairman/General Manager	Currently in office	M	56	2018-02-28	2021-02-27	0	0	0	0	0
Tang Guoping	Independent Director	Currently in office	M	55	2014-05-22	2020-05-21	0	0	0	0	0
Wu Tao	Independent Director	Currently in office	M	41	2018-02-28	2021-02-27	0	0	0	0	0
Tang Shanrong	Director	Currently in office	M	40	2018-02-28	2021-02-27	0	0	0	0	0
Huang Wencai	Chairman of supervisory committee	Currently in office	M	50	2002-06-16	2021-02-27	0	0	0	0	0



Zhang Xuli	Supervisor	Curr ently in offic e	F	36	2018-02-28	2021-02-27	0	0	0	0	0
Chen Gang	Supervisor	Curr ently in offic e	M	53	2016-07-29	2021-02-27	0	0	0	0	0
Fu Zongren	Person in charge of finance	Curr ently in offic e	M	52	2015-04-15	2021-02-27	0	0	0	0	0
Ding Qin	Deputy General Manager	Curr ently in offic e	M	48	2018-08-10	2021-02-27	0	0	0	0	0
Wang Hongjuan	Director/Vice president /secretary of the Board	Curr ently in offic e	F	43	2008-04-27	2021-02-27	0	0	0	0	0
Total	--	--	--	--	--	--	0	0	0	0	0

II. Changes of directors, supervisors and senior executives

Applicable√ Not applicable

III. Post-holding

Professional background, major working experience and present main responsibilities of directors, supervisors and senior executive in the Company

Director

Mr. Yuan Xiaoping, was born in July 1963, Han nationality, holds the college degree, the Chinese CPA, senior accountant, the auditor and he is the member of communist party of China. He was appointed as the system accounting and deputy director in the supply & marketing cooperative of Nanchong Sichuan; he took as the project manager of Hainan Congxin Accounting Firm and assistant of GM and CFO in Luoniushan Company. He also served as the director, CFO, Deputy General Manager, the acting GM, deputy chairman and secretary of the party committee in Haikou Water Group Co., Ltd. as well as the director of Hainan Yedao Co., Ltd. from 2006



to 2017. Mr. Yuan serves as Chairman and GM of the Company since March 2018.

Mr. Tang Shanrong, was born in November 1979, holds the Master degree, a senior engineer. He was appointed as secretary of the president in Luoniushan Co., Ltd., the General Manager of Hainan Luoniushan Environment Protection Co., Ltd, the Chairman of Hainan Luoniushan Agricultural Sci-Tech Co., Ltd., the assistant president and GM of the administration department in Luoniushan Co., Ltd. Mr. Tang serves as vice president of the Company since June 2016; She served as chairman of real estate branch of Luoniushan Co., Ltd. since June 2018; at the same time, he is the member of standing committee of the 14th CPPCC of Haikou, member of the standing committee of the 6th Hainan Youth Federation, vice chairman of the 8th Haikou Youth League and director of Haikou Youth Entrepreneurship & employment promotion Association. He serves as director of the Company since March 2018.

Ms. Wang Hongjuan, was born in Feb. 1976, Han nationality, Undergraduate Degree, an attorney; she served as representative of securities affairs of the Company since 2004 and serves as secretary of the Board since 2008 and deputy GM of the Company since 2014. Ms. Wang serves as Director of the Company since 2016.

Independent Director

Mr. Tang Guoping, was born in August 1964, Han nationality, he was graduated from Zhongnan University of Economics and Law, holds the doctoral degree and he is the accounting professor, doctoral supervisor and Chinese CPA. He was awarded as the “Master of Accounting” by the Ministry of Finance, the “Outstanding Young Teacher Funding Program” of the Ministry of Education, the famous teacher of Hubei Province, the young and middle-aged experts with outstanding contributions in Hubei Province, the academic leaders of the cross-century discipline of the Ministry of Finance, won the second prize of the Second Humanities and Social Sciences Research Achievement Award of Colleges and Universities issued by the Ministry of Education. The second prize, and won the third prize of outstanding teaching achievements issued by the Hubei Provincial People’s Government and other awards and honors. He used to be the deputy dean of the Accounting School, the director of the Accounting Master Education Center, the executive vice president of the Graduate School, and the dean of the MBA College of Zhongnan University of Economics and Law. He is also the head of the second revision research group for the Accounting Law of the Ministry of Finance, a member of the first session of the ASBE Advisory Committee of the Ministry of Finance, the director and senior member of the Accounting Society of China, and the vice chairman of the Environmental Accounting Professional Committee of the Accounting Society of China. He is the vice chairman of China Association of Chief Financial Officers of Hubei Province and serves as an independent director of Myhome Real Estate, Lens Technology and Shenzhuangzong. In 2012, he obtained the independent director qualification certificate and has been an independent director of the company since May 2014.

Mr. Wu Tao, born in September 1978, holds a master’s degree. He used to be the senior manager, business director and internal audit committee of Guojin Securities Investment Banking Department. From 2011 to 2014, he served as the deputy general manager and secretary of the board of directors of Shanghai RENLE Science & Technology Co., Ltd. Since 2014, he has been serving as the vice chairman and vice president of Shanghai Huantao



Investment Management Co., Ltd. In 2017, he obtained an independent director qualification certificate. Since March 2018, he has been serving as an independent director of the Company.

Supervisor

Mr. Huang Wencai: was born in Jan. 1969, undergraduate degree, Mr. Huang once held the position of vice director of Haikou meat association factory, director of Haikou food Co. Ltd. and assistant of general manager of Haikou food Co. Ltd., deputy GM of Haikou Luoniushan Food Processing Co., Ltd. and currently held the post of deputy GM of Hainan Luoniushan Meat Co., Ltd.; he held the position of Chairman of Supervisory Committee of the Company since 2002.

Ms. Zhang Xuli, born in November 1983, holds a master's degree, is a certified management consultant and an intermediate economist. From 2009 to 2015, she served as a senior consultant and project manager of Beijing Industrial Development Consulting Co., Ltd. Since December 2015, she has been serving as the investment director and person in charge of Luoniushan (Beijing) Investment Co., Ltd. Since March 2018, she has been serving as a shareholder supervisor of the company.

Mr. Chen Gang, was born in September 1966, the Han nationality, a junior accountant. He worked as accountant in Hainan Sanya Phoenix Co., Ltd. from February 1988 to June 1989, worked as chief accountant in Sanya Hardware Electrical Mall from July 1989 to September 1992, and serves as cost accounting, chief accountant, deputy GM and GM of the financial dept. in the Company since October 1992. He serves as staff supervisor of the Company since August 2016.

Senior executives

Mr. Ding Qin, born in May 1971, Han nationality, holds a master's degree, studied in Central South University from 1988 to 1992 and graduated as a bachelor of industrial trade, and studied and graduated as a postgraduate from Hainan University from 2005 to 2008, majoring in agricultural extension. From 1998 to 2006, he served as the general manager at Hainan Huacui Palm Garden Co., Ltd.; from 2010 to 2013, he served as the executive general manager of the fixed income department of Heaven-Sent Capital Management Group Co., Ltd (Shanghai); from 2013 to 2017, he was appointed as the general manager of Wuhan East Lake Innovation Investment Management Co., Ltd.; and he serves as the assistant general manager of the company since April 2018. Since August 2018, he serves as the deputy general manager of the company.

Mr. Fu Zongren, was born in February 1967, intermediate accountant, served as financial manager of the Company, financial controller of Sanya Yalong Bay Universal Resort, and general manager of Financial Management Center of Hainan Sunup Group, and serves as the financial administrator of the Company since April 2015.

Post-holding in shareholder's unit

√ Applicable □ Not applicable



Name	Shareholder's unit	Position in shareholder's unit	Start dated of office term	End date of office term	Whether obtained remuneration from shareholder's unit (Y/N)
Tang Shanrong	Luoniushan Co., Ltd.	Vice president	2016-06-17	2019-06-17	Y
Note of post-holding in shareholder's unit		N/A			

Post-holding in other unit

Applicable Not applicable

Punishment of securities regulatory authority in recent three years to the company's current and outgoing directors, supervisors and senior management during the reporting period

Applicable Not applicable

IV. Remuneration for directors, supervisors and senior executives

Decision-making procedures, recognition basis and payment for directors, supervisors and senior executives

1. Pursuant to the Company's Articles of Association, the pay of directors, supervisor personnel are approved by general meeting after the review of the board of directors and board of supervisors respectively; the pay of senior management is approved by the board. Directors, supervisors and senior managers get their payment corresponding to their post provided by the general meeting and the board meeting.

2. In line with performance of their duties, directors, independent directors and supervisors should receive the reimbursement from the Company on travel expense and Articles of Association implementation expense.

Remuneration for directors, supervisors and senior executives in reporting period

In 10 thousand Yuan

Name	Title	Sex	Age	Post-holding status	Total remuneration obtained from the Company (before taxes)	Whether obtained remuneration from related party of the Company (Y/N)
Yuan Xiaoping	Chairman/General Manager	M	56	Currently in office	56.42	N
Tang Shanrong	Director	M	40	Currently in office	4.8	N
Tang Guopin	Independent Director	M	55	Currently in office	4.8	N
Wu Tao	Independent Director	M	41	Currently in office	4.8	N



Huang Wencai	Chairman of supervisory committee	M	50	Currently in office	2.4	N
Zhang Xuli	Supervisor	F	36	Currently in office	2.4	N
Chen Gang	Supervisor	M	53	Currently in office	9.9	N
Fu Zongren	Person in charge of finance	M	52	Currently in office	31.29	N
Ding Qin	Deputy GM	M	48	Currently in office	31.22	N
Wang Hongjuan	Director /secretary of the Board/Deputy GM	F	43	Currently in office	41.44	N
Total	--	--	--	--	189.47	--

Delegated equity incentive for directors, supervisors and senior executives in reporting period

Applicable Not applicable

V. Particulars of workforce

1. Number of staff, professional composition and education background

The number of current employees of parent company (people)	133
The number of current employees of main subsidiaries (people)	0
Total number of current employees (people)	133
The total number of current employees to receive pay (people)	133
The total number of retired staff and workers that the parent company and main subsidiaries need to bear the costs (people)	0
Professional composition	
Category of professional composition	Number of professional composition (people)
Production staff	70
Salesman	6
Technical staff	22
Financial staff	12
Administrative staff	23
Total	133



Education background	
Category of education	Number (people)
Graduate student	1
Undergraduate	8
Junior college above	29
High school and below	95
Total	133

2. Remuneration policy

The compensation of company's employees includes wages, bonuses, and benefits, which take the principle of distributing according to the work, giving priority to efficiency and taking count of equity simultaneously, wage increase adapting to the company's business development and benefits improvement, optimizing the labor allocation, pay level agreeing with the local average in the same industry. Set or adjust the wage standards in accordance with the job valuation result, the local pay level in the same industry, the company's annual operation target and operational budget, and the individual performance.

3. Training programs

Strengthen the training of senior executives by combining the voluntary organization of training and the external training, widen the thought, and enhance the decision-making ability and modern operation and management ability. Strengthen the training of middle management, improve the overall quality of managers, improve the knowledge structure, and enhance the comprehensive management capability, innovation capability and implementation capability. Strengthen the training of professional and technical personnel, improve the theoretical level of technology and professional skills, and enhance the technological innovation, technical transformation capability. Strengthen the technical training of hotel service staff, constantly improve the professional skills and service skills of service staff, and enhance the ability to strictly fulfill their responsibilities. Strengthen the cultural training, improve the cultural level of personnel at all levels, and enhance the overall cultural quality of the staff team.

4. Labor outsourcing

Applicable Not applicable



Section X. Corporate Governance

I. Corporate governance of the Company

During reporting period, the Company further completed governance structure and system, perfected internal control mechanism and system construction and normalized corporate operation, strictly in accordance with relative rules and regulations of the Company Law, Securities Law and Listing Rules of Shenzhen Stock Exchange. Till end of reporting period, governance structure of the Company is basically in line with requirement of the Governance Rules of Listed Company.

1. During the reporting period, the Company's general meeting, board meeting and supervisors meeting exercised the decision rights, execution rights and supervision rights respectively with clear responsibilities, mutual restrict, operation specification and effective operation. The procedures of meeting holding, proposal review, and decision-making in these three meetings were in compliance with relevant provisions. The board meeting comprises strategy and development committee, audit committee, nomination committee, remuneration and appraisal committee, who carry out smoothly their duties accordingly to their working conditions, providing a strong support for the board meeting's major scientific management decision.

2. In strict accordance with the requirements of Rules Governing the Listing of Stock, directors performed its duties with honest, trust, diligence and independence, protected the legitimate rights and interests of minority shareholders with loyalty to their interests; Supervisors effectively supervised and checked independent directors, senior management and their financial situations.

Is there any difference between the actual condition of corporate governance and relevant regulations about corporate governance for listed company from CSRC?

Yes No

There are no differences between the actual condition of corporate governance and relevant regulations about corporate governance for listed company from CSRC.

II. Independence of the Company relative to controlling shareholders' in aspect of businesses, personnel, assets, organization and finance

Statement of Five Independence between the Company and the Controlling Shareholders

1. Business Independence: the Company business operates independently with integrated structure, and is free from horizontal competition with controlling shareholders. The controlling shareholders do not intervene the Company's operation either directly or indirectly.

2. Personnel Independence, the Company is independent on controlling shareholders in the aspects of labor, personnel and Remuneration management.

3. Assets Independence: the Company has proprietary rights and control rights on its assets. Controlling



shareholders occupy no assets or funds of the listed company.

4. Institution Independence: the company's board of directors and board of supervisors, managers and other internal institutions operate independently and manage independently with integrated structures.

5. Financial Independence: the Company has an independent financial sector, and sets up independent accounting system and financial management system. The Company opens independent bank accounts and pay independent taxes to laws without controlling shareholders' intervention.

III. Horizontal competition

Applicable Not applicable

IV. In the report period, the Company held annual shareholders' general meeting and extraordinary shareholders' general meeting

1. Annual Shareholders' General Meeting in the report period

Session of meeting	Type	Ratio of investor participation	Date	Date of disclosure	Index of disclosure
Annual Shareholders General Meeting 2018	AGM	31.66%	2019-03-22	2019-03-23	The "Resolution Notice of Annual Shareholders' General Meeting of 2018" (No.: 2019-012) published on Securities Times, Hong Kong Commercial Daily and Juchao website (www.cninfo.com.cn) dated 23 Mar. 2019

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

Applicable Not applicable

V. Responsibility performance of independent directors

1. The attending of independent directors to Board meetings and general meeting

The attending of independent directors to Board Meeting & general meeting							
Independent Director	Times of Board meeting supposed to attend in the report period	Times of Presence	Times of attending the Board Meeting by communication	Times of entrusted presence	Times of Absence	Absent the Meeting for the second time in a row (Y/N)	Times of attend the general meeting



Tang Guoping	5	1	4	0	0	N	1
Wu Tao	5	1	4	0	0	N	1

Explanation on absent the board meeting for the second time in a row: nil

2. Objection for relevant events from independent directors

Independent directors come up with objection about Company's relevant matters

Yes No

No objections arising from the independent directors on relevant events of the Company during the Period

3. Other explanation about responsibility performance of independent directors

The opinions from independent directors have been adopted

Yes No

Explanation on advice that accepted/not accepted from independent directors

It is suggested that the Company should strengthen the introduction of foreign capital, introduce excellent assets and diversify the current single business portfolio in addition to focusing on its major operations.

VI. Duty performance of the special committees under the board during the reporting period

The board meeting comprises four special committees, who carry out smoothly their duties accordingly to their working conditions, providing a strong support for the board meeting's major scientific management decision. Each special committee performed their duties as follows:

1. Audit Committee

During the reporting period, the audit committee audited the first quarter and the three quarter financial report of 2019, and the 2019 semi-annual financial report. In the process of annual financial report auditing 2019 process, audit committee members worked in accordance with the relevant requirements by faithfully performing audit committee's responsibilities:

Before the entrance of annual examination certified public accountants, the audit committee members listened to the management statements of the Company's operating condition in 2019 and the financial status as well as the report on annual financial report audit work arrangement of 2019, communicated with annual examination certified public accountants about issues such as personnel structure of the working group, audit plan, risk judgment, annual audit focus and so on; In early January 2019, in annual report audit process, audit committee members listened to the work report by annual examination certified public accountants and the company management; In early February 2019, audit committee members reviewed submitted financial and accounting reports. The financial and accounting reports audited was formatted strictly to Accounting Standards for Business Enterprises and Accounting System for Business Enterprises, and this report fairly reflected the Company's assets, liabilities, rights and interests and operating situation without significant errors and omissions. The annual audit



report of 2019 by audit institutions was agreed to be submitted to the board.

The Company's board of directors regarded that the external auditors BDO China Shu Lun Pan Certified Public Accountants LLP faithfully performed the audit responsibility, and suggested to renew as the Company's annual financial audit of 2020.

2. Remuneration committee

During the reporting period, the remuneration committee members of the Company board carried out their duties strictly to relevant regulations, inspected remuneration policies and programs for directors, supervisors and senior managers, and appraised the performance of directors, supervisors and senior management according to senior manager remuneration appraisal. By the end of the reporting period, the Company has not implemented option scheme.

3. Strategy committee

During the reporting period, the board strategy committee put forward valuable opinions on decision-making such as development planning and investment decisions, thus enhanced the scientific decision-making and core competitiveness of the Company, improved the Company's efficiency of major investment decisions and decision quality.

4. Nomination committee

During the reporting period, the company did not have any nominations.

VII. Works from Supervisory Committee

The Company has risks in reporting period that found in supervisory activity from supervisory committee

Yes No

Supervisory committee has no objection about supervision events in reporting period

VIII. Examination and incentives of senior management

1. Pursuant to People-oriented Principle, the Company employs outstanding persons in long-term, and admits the best candidates on the premise of openness, fairness, justice. Those who pass trial comprehensive appraisal and be nominated by general managers and approved by the board meeting can be employed as senior management of the Company.

2. The Company adopts a clear appraisal system in which assessment methods are made to the performance and duty fulfillment of senior management. Assessments are carried out monthly and annually by the same level and higher level and the results are taken as factors for post lift and rewards and punishment of senior management.

3. The Company sets up effective incentive mechanism, including material incentives and spiritual incentives. The clear rewards and punishments, balance between remuneration and work performance, survival of fittest encourage senior management to make constantly progress and improve their own comprehensive ability which in turn help the Company develop rapidly.

**IX. Internal Control****1. Details of major defects in IC appraisal report that found in reporting period**

□ Yes √ No

2. Self-appraisal Report of Internal Control

Disclosure date of full internal control appraisal report	2020-03-21	
Disclosure index of full internal control appraisal report	Relevant information found in Appraisal Report of Internal Control for 2019 published on Juchao Website dated 21 March 2020	
The ratio of the total assets of units included in the scope of evaluation accounting for the total assets on the company's consolidated financial statements	100.00%	
The ratio of the operating income of units included in the scope of evaluation accounting for the operating income on the company's consolidated financial statements	100.00%	
Defects Evaluation Standards		
Category	Financial Reports	Non-financial Reports



Qualitative criteria	<p>Major deficiencies: fraud of directors, supervisors and senior management; material misstatements are found in current financial statements by the certified public accountant but are not found in the process of internal control; It's found that the significant internal control deficiencies that had been discovered and reported to the management were not yet corrected within the stipulated time; the audit committee's supervision has no effect on the company's external financial reports and internal control over financial reporting.</p> <p>Significant deficiencies: the selection and application of accounting policies are not in accordance with the GAAP; anti-fraud program and control measures have not been established; the accounting treatment of unusual or special transactions has no appropriate control mechanisms or have not implemented the control mechanisms and has no appropriate compensatory controls; the control to period-end financial reporting process has one or more deficiencies and cannot reasonably ensure that the organizational financial statements are true and accurate.</p> <p>General deficiencies: deficiencies that out of the recognition of major and significant deficiencies should be recognized as general deficiencies</p>	<p>Major deficiencies: the company is lack of democratic decision-making process; the company's decision-making process leads to major mistakes; the company violates the state laws and regulations and is severely punished; serious brain drain of the company's senior management personnel and senior technical staff; frequent negative news on media covering a wide range and the negative effects are not eliminated; the company's significant business is lack of system control or systematic-ness is invalid; the major deficiencies and significant deficiencies of the company's internal controls have not been rectified and reformed; the company is punished by CSRC or warned by stock exchange.</p> <p>Significant deficiencies: the company has democratic decision-making process which is not complete; the company's decision-making process leads to general mistakes; the company violates the enterprise internal regulations which causes losses; serious brain drain of the company's business personnel in key positions; negative news on media affecting local areas; the company's significant business system has deficiencies; the significant deficiencies and general deficiencies of the company's internal controls have not been rectified and reformed</p> <p>General deficiencies: deficiencies that out of the recognition of major and significant deficiencies should be recognized as general deficiencies</p>
Quantitative standard	<p>Major deficiencies: After considering the compensating control measures and the actual deviation rate, the overall impact level of the deficiency is higher than the significance level (10% of the total profit).</p> <p>Significant deficiencies: After considering the compensating control measures and the actual deviation rate, the overall impact level of the deficiency is lower than the significance level (10% of the total profit), but higher than the generality level (5% of the total profit).</p> <p>General deficiencies: After considering the compensating control measures and the actual deviation rate, the overall impact level of the deficiency is lower than the generality level (5% of the total profit).</p>	<p>Major deficiencies: direct property loss is more than 100,000 Yuan ;</p> <p>Significant deficiencies: direct property loss ranged from 1 Yuan to 100,000 Yuan;</p> <p>General deficiencies: direct property loss is lower than 10,000 Yuan</p>



Amount of significant defects in financial reports	0
Amount of significant defects in non-financial reports	0
Amount of important defects in financial reports	0
Amount of important defects in non-financial reports	0

X. Auditing report of internal control

Applicable Not applicable

Deliberations in Internal Control Audit Report
<p>To All Shareholders of Hainan Dadonghai Tourism Center (Holdings) Co., Ltd.:</p> <p>In accordance with Audit Guideline for Enterprise Internal Control and relevant requirement of the practicing standards of Chinese Certified Public Accountant, we audited the effective-ness of the financial report's internal control for Hainan Dadonghai Tourism Center (Holdings) Co., Ltd. (the Company) dated 31 December 2019.</p> <p>I. As for responsibility of internal control</p> <p>The Company established and improved and implemented internal control effectively pursuit to Basic Norms of Enterprises Internal Control, Supporting Guidelines for Enterprise Internal Control and Evaluation Guild lines for Enterprises Internal Control, and board of the director is responsible for evaluating its effectiveness.</p> <p>II. Auditor's responsibilities</p> <p>Our responsibility is to express an opinion on the effectiveness of internal control for the financial statements based on our audit. And disclosed major deficits of noted internal control without financial statement concerned.</p> <p>III. Inherent feature of internal control</p> <p>The internal control has an inherent limitation, and exist mistakes that cannot prevent and being discovered. Moreover, the internal control might be inappropriate due to the changes of conditions, or fails to follow the controlling policies and procedures, to speculate future effectiveness of the internal control in line with the auditing result has a certain risks.</p> <p>IV. Auditing opinion: in our opinion</p> <p>The Company, in line with <i>Basic Norms of Enterprises Internal Control</i> and relevant regulations, shows an effectiveness internal control of financial report in all major aspects dated 31 December 2019.</p> <p style="text-align: center;">BDO CHINA Shu Lun Pan CPA LLP Shanghai·China</p> <p style="text-align: center;">Certified Public Accountant of China: Li Jinhua Certified Public Accountant of China: Zhu Meirong 19 March 2020</p>



Disclosure details of audit report of internal control	Disclosed
Disclosure date of audit report of internal control (full-text)	2020-03-21
Index of audit report of internal control (full-text)	Relevant information found in Self-appraisal Report of Internal Control for 2019 published on Juchao Website dated 21 March 2020.
Opinion type of auditing report of IC	Standard unqualified
whether the non-financial report had major defects	No

Carried out modified opinion for internal control audit report from CPA

Yes No

The internal control audit report, issued by CPA, has concerted opinion with self-evaluation report, issued from the Board

Yes No



Section XI. Corporation bonds

Whether or not the Company public offering corporation bonds in stock exchange, which undue or without payment in full at maturity on the approval date for annual report disclosed

No



Section XII. Financial Report

I. Audit report

Type of audit opinion	Standard unqualified opinion
Signing date of audit report	2020-03-19
Name of audit institute	BDO CHINA Shu Lun Pan Certified Public Accountants LLP
Document serial of audit report	PCPAR [2020] No. ZA10218
Name of the CPA	Li Jinhua, Zhu Meirong

Auditor's Report

To all shareholders of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.,

I. Opinion

We have audited the financial statements of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. (hereinafter referred to as "the Company"), which comprise the consolidated and parent Company's balance sheet of 31 December 2019 and profit statement, and cash flow statement, and statement on changes of shareholders' equity for the year ended, and notes to the financial statements for the year ended.

In our opinion, the attached financial statements are prepared in accordance with the provisions of the Accounting Standings for Enterprises in all major respects, it fairly reflects the consolidate and parent company's financial status as of 31 December 2019 under the name of Dadonghai well we the operation results and cash flow for the year of 2019.

II. Basis for Our Opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants in China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. According to the Code of Ethics for Chinese CPA, we are independent of the Company in accordance with the Code of Ethics for Chinese CPA and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We identified the following as key audit issues that need to be communicated in the audit report.

Key audit matters	Countermeasures
(I) Recognition of room income	



<p>The Company had operating income of RMB 25,935,400 in 2019, of which room income was RMB 20,039,800, accounting for 77.27% of operating income.</p> <p>As income is a key performance indicator of Dadonghai Holdings, which causes intrinsic risks that the income may be recognized in an incorrect period or be manipulated to achieve the target or expected level, we identify the room revenue of Dadonghai Holdings as a key audit matter.</p>	<p>For room sales revenue, we understood and evaluated the management's design of internal controls in sales processes from approval of contracts to the accounting of sales revenue and tested the effectiveness of the implementation of key control points.</p> <p>Via sample inspection of contracts and management interviews, we tested the timing point of significant risks and remuneration related to room revenue recognition, and thus assessed the Company's income recognition policies.</p> <p>In addition, we implemented the following procedures in respect of room revenue by using sampling:</p> <p>(1) Analyze income and gross profit margin in combination with the type of income, and judge whether there is any abnormal fluctuation in the income amount in the current period.</p> <p>(2) Choose samples from reservation records and check-in records of rooms, check the samples against the contracts, accounting records, invoice issuance and payment receipts related to the corresponding sales, and pay special attention to whether the samples before and after the balance sheet date are included in the correct accounting period to assess whether room revenue is confirmed during the appropriate period.</p> <p>(3) With respect to new customers and those bringing large amount of income in the current period, implement the external confirmation of incurred amounts and the balances, and analyzed the authenticity thereof in combination with the collection of payments and occupancy situation. At the same time, inquire the business information of some customers to further confirm the authenticity of transactions therewith.</p>
(II) Recognition of compensation income	
<p>The Company renovated the room building A of the South China Grand Hotel in 2019. Due to the engineering decoration company failed to deliver according to the "South China Grand Hotel A building decoration project construction contract", the Company get compensation of RBM 606,580.00, confirmed as non-operating income of RMB 572,245.29, which accounting for 75.62% of the total profit of RMB 756,769.26 of the Company in 2019.</p> <p>Since the performance of the Company is in the state of slight profit, there is a risk that this compensation income may be manipulated to achieve the target or the expected level. We identify the recognition of compensation income of the Company as a key audit matter.</p>	<p>We have also implemented the following procedures for compensation income:</p> <p>(1) We evaluate the effectiveness of implementation of internal control of the Company over the investment and decoration of building A.</p> <p>(2) Collect and check the relevant documents of the board of directors of the Company regarding the investment and renovation of building A, the bidding documents for investment and renovation and the notice of winning the bid, etc., and confirm the appropriateness of the investment and renovation project cost of building A.</p> <p>(3) Check the construction contract of the decoration project, according to the relevant agreements of the decoration project construction contract to verify the time of the default delivery of the room, and review the amount of the default is calculated correctly.</p> <p>(4) Send letters to the decoration company and make inquiries and interviews with relevant personnel of the engineering decoration company to confirm the authenticity of the compensation items and amount. At the same time, the industrial and commercial information of the engineering decoration company is inquired, combined with letters of confirmations and interviews, to comprehensive judge whether the engineering decoration company and the</p>



Company have related party relations.

IV. Other information

The management of the Company (hereinafter referred to as Managers) is responsible for the other information. The other information comprises information of the Company's annual report in 2019, but excludes the financial statements and our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's management is responsible for preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

In preparing the financial statements, management of the Company is responsible for assessing the Company's ability to continue as a going concern, disclosing matters related to going concern (if applicable) and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

VI. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are



appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Company.

(4) Conclude on the appropriateness of using the going concern assumption by the management of the Company, and conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We in charge of the guidance, supervision and enforcement of the group's auditing and bear all liability for the opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit matters, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO CHINA Shu Lun Pan

Certified Public Accountant of China: Li Jinhua

Certified Public Accountants LLP

Certified Public Accountant of China: Zhu Meirong

Shanghai·China

19 March 2020

II. Financial Statement

Expressed in Renminbi unless otherwise stated

**1. Consolidated balance sheet**

Prepared by HAINAN DADONGHAI TOURISM CENTER (HOLDINGS) CO., LTD.

2019-12-31

In RMB

Item	2019-12-31	2018-12-31
Current assets:		
Monetary funds	7,422,939.89	15,364,355.30
Settlement provisions		
Capital lent		
Trading financial assets		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Note receivable		
Account receivable	311,083.92	426,434.87
Receivable financing		
Accounts paid in advance		
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	571,744.52	458,242.73
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	254,257.19	221,390.19
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	2,574,442.57	1,846,219.79
Total current assets	11,134,468.09	18,316,642.88
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Finance asset available for sales		



Other debt investment		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	7,909,956.87	8,384,480.43
Fixed assets	35,075,195.98	36,497,869.65
Construction in progress	488,522.10	
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	21,392,861.88	22,205,249.04
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	11,520,179.33	2,792,876.07
Deferred income tax asset		
Other non-current asset		
Total non-current asset	76,386,716.16	69,880,475.19
Total assets	87,521,184.25	88,197,118.07
Current liabilities:		
Short-term loans		
Loan from central bank		
Capital borrowed		
Trading financial liability		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Note payable		
Account payable	1,250,409.75	1,607,835.81
Accounts received in advance	786,715.42	1,291,293.05
Contractual liability		
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		



Security trading of agency		
Security sales of agency		
Wage payable	2,552,996.37	2,841,262.35
Taxes payable	307,257.85	450,861.87
Other account payable	2,647,515.86	2,727,483.66
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	7,544,895.25	8,918,736.74
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability	1,489,685.04	1,489,685.04
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	1,489,685.04	1,489,685.04
Total liabilities	9,034,580.29	10,408,421.78
Owner's equity:		
Share capital	364,100,000.00	364,100,000.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	54,142,850.01	54,142,850.01



Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve		
Provision of general risk		
Retained profit	-339,756,246.05	-340,454,153.72
Total owner's equity attributable to parent company	78,486,603.96	77,788,696.29
Minority interests		
Total owner's equity	78,486,603.96	77,788,696.29
Total liabilities and owner's equity	87,521,184.25	88,197,118.07

Legal Representative: Yuan Xiaoping

Accounting Principal: Fu Zongren

Accounting Firm's Principal: Fu Zongren

2. Balance sheet of parent company

In RMB

Item	2019-12-31	2018-12-31
Current assets:		
Monetary funds	7,421,452.59	14,864,055.73
Trading financial assets		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Note receivable		
Account receivable	311,083.92	426,434.87
Receivable financing		
Accounts paid in advance		
Other account receivable	571,744.52	458,242.73
Including: Interest receivable		
Dividend receivable		
Inventories	254,257.19	221,390.19
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	2,574,442.57	1,846,219.79



Total current assets	11,132,980.79	17,816,343.31
Non-current assets:		
Debt investment		
Available-for-sale financial assets		
Other debt investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	1,000,000.00	1,000,000.00
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	7,909,956.87	8,384,480.43
Fixed assets	35,075,195.98	36,497,869.65
Construction in progress	488,522.10	
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	21,392,861.88	22,205,249.04
Research and development costs		
Goodwill		
Long-term deferred expenses	11,520,179.33	2,792,876.07
Deferred income tax assets		
Other non-current assets		
Total non-current assets	77,386,716.16	70,880,475.19
Total assets	88,519,696.95	88,696,818.50
Current liabilities		
Short-term borrowings		
Trading financial liability		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable		
Account payable	1,250,409.75	1,607,835.81
Accounts received in advance	786,715.42	1,291,293.05
Contractual liability		



Wage payable	2,552,996.37	2,841,262.35
Taxes payable	307,210.05	450,861.87
Other accounts payable	2,647,515.86	3,226,952.36
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities	999,468.70	
Total current liabilities	8,544,316.15	9,418,205.44
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable		
Accrued liabilities	1,489,685.04	1,489,685.04
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	1,489,685.04	1,489,685.04
Total liabilities	10,034,001.19	10,907,890.48
Owners' equity:		
Share capital	364,100,000.00	364,100,000.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	54,142,850.01	54,142,850.01
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve		
Retained profit	-339,757,154.25	-340,453,921.99



Total owner's equity	78,485,695.76	77,788,928.02
Total liabilities and owner's equity	88,519,696.95	88,696,818.50

3. Consolidated profit statement

In RMB

Item	2019	2018
I. Total operating income	25,935,405.44	29,515,592.33
Including: Operating income	25,935,405.44	29,515,592.33
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	27,008,417.09	28,712,902.79
Including: Operating cost	11,082,766.94	11,755,198.10
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Tax and extras	722,523.20	1,393,881.37
Sales expense	5,606,474.47	5,619,079.95
Administrative expense	9,772,412.86	10,133,021.97
R&D expense		
Financial expense	-175,760.38	-188,278.60
Including: Interest expenses		
Interest income	210,556.05	232,899.41
Add: other income	292,643.89	
Investment income (Loss is listed with "-")		
Including: Investment income on affiliated company and joint venture		
The termination of income recognition for financial assets measured by amortized cost(Loss is listed with "-")		
Exchange income (Loss is listed with "-")		



Net exposure hedging income (Loss is listed with “-”)		
Income from change of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	-5,032.26	
Losses of devaluation of asset (Loss is listed with “-”)		13,656.55
Income from assets disposal (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	-785,400.02	816,346.09
Add: Non-operating income	1,555,255.92	273.00
Less: Non-operating expense	13,086.64	163,336.90
IV. Total profit (Loss is listed with “-”)	756,769.26	653,282.19
Less: Income tax expense	47.80	
V. Net profit (Net loss is listed with “-”)	756,721.46	653,282.19
(i) Classify by business continuity		
1. continuous operating net profit (net loss listed with “-”)	756,721.46	653,282.19
2. termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1. Net profit attributable to owner’s of parent company	756,721.46	653,282.19
2. Minority shareholders’ gains and losses		
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes of the defined benefit plans that re-measured		
2. Other comprehensive income under equity method that cannot be transfer to gain/loss		
3. Change of fair value of investment in other equity instrument		
4. Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Other comprehensive income under equity method that can transfer to gain/loss		
2. Change of fair value of other debt investment		



3.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements		
9.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	756,721.46	653,282.19
Total comprehensive income attributable to owners of parent Company	756,721.46	653,282.19
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(i) Basic earnings per share	0.0021	0.0018
(ii) Diluted earnings per share	0.0021	0.0018

As for the enterprise combination under the same control, the net profit achieved by the combined party before consolidation was 0 Yuan in the period while 0 Yuan achieved last period

Legal Representative: Yuan Xiaoping

Accounting Principal: Fu Zongren

Accounting Firm's Principal: Fu Zongren

4. Profit statement of parent Company

In RMB

Item	2019	2018
I. Operating income	25,935,405.44	29,515,592.33
Less: Operating cost	11,082,766.94	11,755,198.10
Taxes and surcharge	722,523.20	1,393,596.37
Sales expenses	5,606,474.47	5,619,079.95
Administration expenses	9,772,412.86	10,132,404.17
R&D expenses		
Financial expenses	-174,607.65	-187,607.53
Including: interest expenses		



Interest income	209,033.32	232,116.34
Add: other income	292,643.89	
Investment income (Loss is listed with “-”)		
Including: Investment income on affiliated Company and joint venture		
The termination of income recognition for financial assets measured by amortized cost (Loss is listed with “-”)		
Net exposure hedging income (Loss is listed with “-”)		
Changing income of fair value (Loss is listed with “-”)		
Loss of credit impairment (Loss is listed with “-”)	-5,032.26	
Losses of devaluation of asset (Loss is listed with “-”)		13,656.55
Income on disposal of assets (Loss is listed with “-”)		
II. Operating profit (Loss is listed with “-”)	-786,552.75	816,577.82
Add: Non-operating income	1,555,220.92	273.00
Less: Non-operating expense	13,086.64	163,336.90
III. Total Profit (Loss is listed with “-”)	755,581.53	653,513.92
Less: Income tax		
IV. Net profit (Net loss is listed with “-”)	755,581.53	653,513.92
(i) continuous operating net profit (net loss listed with “-”)	755,581.53	653,513.92
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes of the defined benefit plans that re-measured		
2. Other comprehensive income under equity method that cannot be transfer to gain/loss		
3. Change of fair value of investment in other equity instrument		
4. Fair value change of enterprise's credit risk		
5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Other comprehensive income under equity method that can transfer to gain/loss		
2. Change of fair value of other debt investment		



3.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements		
9.Other		
VI. Total comprehensive income	755,581.53	653,513.92
VII. Earnings per share:		
(i) Basic earnings per share	0.0021	0.0018
(ii) Diluted earnings per share	0.0021	0.0018

5. Consolidated cash flow statement

In RMB

Item	2019	2018
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	27,678,170.32	31,632,073.56
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Net cash received by agents in sale and purchase of securities		
Write-back of tax received		
Other cash received concerning operating activities	2,240,358.73	1,966,271.29
Subtotal of cash inflow arising from operating activities	29,918,529.05	33,598,344.85



Cash paid for purchasing commodities and receiving labor service	7,564,247.62	9,249,110.15
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	12,622,537.61	11,949,737.94
Taxes paid	1,725,491.14	2,481,200.14
Other cash paid concerning operating activities	3,292,591.17	3,134,403.36
Subtotal of cash outflow arising from operating activities	25,204,867.54	26,814,451.59
Net cash flows arising from operating activities	4,713,661.51	6,783,893.26
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets	68,870.00	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	68,870.00	
Cash paid for purchasing fixed, intangible and other long-term assets	12,723,946.92	1,101,145.12
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	12,723,946.92	1,101,145.12
Net cash flows arising from investing activities	-12,655,076.92	-1,101,145.12
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		



Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities		
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-7,941,415.41	5,682,748.14
Add: Balance of cash and cash equivalents at the period -begin	15,364,355.30	9,681,607.16
VI. Balance of cash and cash equivalents at the period -end	7,422,939.89	15,364,355.30

6. Cash flow statement of parent Company

In RMB

Item	2019	2018
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	27,678,170.32	31,632,073.56
Write-back of tax received		
Other cash received concerning operating activities	2,238,801.00	2,465,488.22
Subtotal of cash inflow arising from operating activities	29,916,971.32	34,097,561.78
Cash paid for purchasing commodities and receiving labor service	7,564,247.62	9,249,110.15
Cash paid to/for staff and workers	12,622,537.61	11,949,737.94
Taxes paid	1,725,491.14	2,480,915.14
Other cash paid concerning operating activities	3,292,221.17	3,134,204.86
Subtotal of cash outflow arising from operating activities	25,204,497.54	26,813,968.09
Net cash flows arising from operating activities	4,712,473.78	7,283,593.69
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets	68,870.00	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		



Subtotal of cash inflow from investing activities	68,870.00	
Cash paid for purchasing fixed, intangible and other long-term assets	12,723,946.92	1,101,145.12
Cash paid for investment		1,000,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	12,723,946.92	2,101,145.12
Net cash flows arising from investing activities	-12,655,076.92	-2,101,145.12
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans		
Other cash received concerning financing activities	500,000.00	
Subtotal of cash inflow from financing activities	500,000.00	
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities	500,000.00	
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-7,442,603.14	5,182,448.57
Add: Balance of cash and cash equivalents at the period -begin	14,864,055.73	9,681,607.16
VI. Balance of cash and cash equivalents at the period -end	7,421,452.59	14,864,055.73

7. Consolidate change of owners' equity

Current period

In RMB

Item	2019											Minority interest	Total owners' equity
	Owners' equity attributable to the parent Company										Subtotal		
	Share capital	Other equity instrument	Capital reserve	L	O	R	S	P	Retained profit	oth			
			e	s	e	s	e	s	h	e			
				s	s	s	s	s	s	s	s		



1. Common shares invested by shareholders																																	
2. Capital invested by holders of other equity instruments																																	
3. Amount reckoned into owners equity with share-based payment																																	
4. Other																																	
(III) Profit distribution																																	
1. Withdrawal of surplus reserves																																	
2. Withdrawal of general risk provisions																																	
3. Distribution for owners (or shareholders)																																	
4. Other																																	
(IV) Carrying forward internal owners' equity																																	
1. Capital reserves converted to capital (share capital)																																	
2. Surplus reserves converted to capital (share capital)																																	
3. Remedying loss with surplus reserve																																	
4. Carry-over retained earnings from the defined benefit plans																																	
5. Carry-over retained earnings from other comprehensive income																																	
6. Other																																	
(V) Reasonable reserve																																	
1. Withdrawal in the report period																																	
2. Usage in the report period																																	
(VI) Others																																	
IV. Balance at the end of the report period	364,100,000.00					54,142,850.01														-339,756,246.05						78,486,603.96							78,486,603.96

Last Period

In RMB



		2018										M i n o r i t y i n t e r e s t s	Total owners' equity	
Item	Other equity instru ment	P r e f e r e n d e d s t o c k	O t h e r s h a r e s	C a p i t a l r e s e r v e	P u b l i c r e s e r v e	I n v e s t m e n t r e s e r v e	L e s s : I n v e n t o r y	O t h e r c o m p o n e n t r e s e r v e	R e s e r v e f o r r i s k	S u b s i d i e r y r e s e r v e	P r o v i s i o n o f r e g e n e r a l r i s k			R e t a i n e d p r o f i t
												Owners' equity attributable to the parent Company		



I. Balance at the end of the last year	364,100,000.00										54,142,850.01												-341,107,435.91	77,135,414.10	77,135,414.10	
Add: Changes of accounting policy																										
Error correction of the last period																										
Enterprise combine under the same control																										
Other																										
II. Balance at the beginning of this year	364,100,000.00																									
III. Increase/ Decrease in this year (Decrease is listed with "-")																										
(i) Total comprehensive income																										
(ii) Owners' devoted and decreased capital																										
1. Common shares invested by shareholders																										
2. Capital invested by holders of other equity instruments																										
3. Amount reckoned into owners equity with share-based payment																										
4. Other																										
(III) Profit distribution																										
1. Withdrawal of surplus reserves																										
2. Withdrawal of general risk provisions																										
3. Distribution for owners (or shareholders)																										
4. Other																										
(IV) Carrying forward internal owners' equity																										
1. Capital reserves converted to capital (share capital)																										
2. Surplus reserves converted to capital (share capital)																										



3. Remedying loss with surplus reserve														
4. Carry-over retained earnings from the defined benefit plans														
5. Carry-over retained earnings from other comprehensive income														
6. Other														
(V) Reasonable reserve														
1. Withdrawal in the report period														
2. Usage in the report period														
(VI) Others														
IV. Balance at the end of the report period	364,100,000.00			54,142,850.01								-340,454,153.72	77,788,696.29	77,788,696.29

8. Change of owners' equity of parent company

Current period

In RMB

Item	2019							Retained profit	O t h e	Total owners' equity
	Share capital	Other equity instrument	Capital public reserve	L e s s	O f s e	R e s e	S h a r e s			



		P e r p e t u a l P r e f e r r e d s t o c k	O t h e r s e c u r i t i e s	:	r o l e s	I n v e n t o r y	r e s e r v e s	l i a b l e s	n o n c o m m e	r e s e r v e s	r
I. Balance at the end of the last year	364,100,000.00			54,142,850.01						-340,453,921.99	77,788,928.02
Add: Changes of accounting policy										-58,813.79	-58,813.79
Error correction of the last period											
Other											
II. Balance at the beginning of this year	364,100,000.00			54,142,850.01						-340,512,735.78	77,730,114.23
III. Increase/ Decrease in this year (Decrease is listed with "-")										755,581.53	755,581.53
(i) Total comprehensive income										755,581.53	755,581.53
(ii) Owners' devoted and decreased capital											
1.Common shares invested by shareholders											
2. Capital invested by holders of other equity instruments											
3. Amount reckoned into owners equity with share-based payment											
4. Other											
(III) Profit distribution											
1. Withdrawal of surplus reserves											
2. Distribution for owners (or shareholders)											
3. Other											



(IV) Carrying forward internal owners' equity													
1. Capital reserves converted to capital (share capital)													
2. Surplus reserves converted to capital (share capital)													
3. Remedying loss with surplus reserve													
4. Carry-over retained earnings from the defined benefit plans													
5. Carry-over retained earnings from other comprehensive income													
6. Other													
(V) Reasonable reserve													
1. Withdrawal in the report period													
2. Usage in the report period													
(VI)Others													
IV. Balance at the end of the report period	364,100,000.00				54,142,850.01							-339,757,154.25	78,485,695.76

Last period

In RMB

Item	2018												
	Share capital	Other equity instrument	Capital reserve	L	O	R	S	Provision of general risk	O	t	Total owners' equity		
				e	s	e			h	a	r		
				s	h	a			s	e	s	p	



		P e r p e t u a l r e f e r r e d s t o c k	O t h e r			I n v e n t o r y s h a r e s	r o l l b a c k r e s e r v e s		r e s e r v e s
I. Balance at the end of the last year	364,100,000.00			54,142,850.01				-341,107,435.91	77,135,414.10
Add: Changes of accounting policy									
Error correction of the last period									
Other									
II. Balance at the beginning of this year	364,100,000.00			54,142,850.01				-341,107,435.91	77,135,414.10
III. Increase/ Decrease in this year (Decrease is listed with "-")								653,513.92	653,513.92
(i) Total comprehensive income								653,513.92	653,513.92
(ii) Owners' devoted and decreased capital									
1.Common shares invested by shareholders									
2. Capital invested by holders of other equity instruments									
3. Amount reckoned into owners equity with share-based payment									
4. Other									
(III) Profit distribution									
1. Withdrawal of surplus reserves									
2. Distribution for owners (or shareholders)									
3. Other									



(IV) Carrying forward internal owners' equity												
1. Capital reserves converted to capital (share capital)												
2. Surplus reserves converted to capital (share capital)												
3. Remedying loss with surplus reserve												
4. Carry-over retained earnings from the defined benefit plans												
5. Carry-over retained earnings from other comprehensive income												
6. Other												
(V) Reasonable reserve												
1. Withdrawal in the report period												
2. Usage in the report period												
(VI)Others												
IV. Balance at the end of the report period	364,100,000.00				54,142,850.01					-340,453,921.99		77,788,928.02

III. Company profile

i) Overview

Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. (hereinafter referred to as the "Company") is a standardized company limited by shares established on April 26, 1993 and restructured from Hainan Sanya Dadonghai Tourism Centre Development Co., Ltd. with the approval of Hainan Shareholding System Pilot Group office via its Document Qiong Gu Ban Zi [1993] No.11. On May 6, 1996, the Company was reorganized and separated with the reply of Hainan Securities Management Office by its Document Qiong Zheng Ban [1996] No.58. On October 8, 1996 and January 28, 1997, the Company was approved to respectively issue 80 million B shares and 14 million A shares on Shenzhen Stock Exchange and list for sales. On June 20, 2007, the Company carried out the split share structure reform. The non-tradable shareholders of the Company paid shares to the tradable shareholders for obtaining the circulation rights, and the tradable shareholders got 3 shares for every 10 shares. The Company belongs to tourism and catering service industry.

As at December 31, 2019, the Company's accumulative total issued capital was 364.1 million shares and the Company's registered capital was RMB 364.1 million. Legal representative: Yuan Xiaoping. Unified social credit code: 91460000201357188U. Domicile: Dadonghai, Hedong District, Sanya. Business scope: Accommodation and catering industry (limited to branches); photography; flower bonsai, knitwear, general merchandise, hardware and electrical equipment, chemical products (except franchised operations), daily necessities, industrial means of production (except franchised operations), metal materials, machinery equipment; sales of train, bus and vehicle tickets on an agent basis, etc. The Company's largest shareholder is Luoniushan Co., Ltd.

ii) Scope to the consolidated financial statements

As at December 31, 2019, the subsidiary included into the Company's scope of consolidated financial statements is as follows:

Subsidiary Name

Hainan Wengao Tourist Resources Development Co., Ltd. (hereinafter referred to as "the Wengao Tourism")

See "Note VI. Changes in the scope of consolidation" and "Note VII. Equity in other entities" for details of the scope of consolidated financial statements in 2019 and changes thereof.

The financial statements were approved by all directors of the Company for disclosure on March 19, 2020.

IV. Basis for the preparation of the financial statements

1. Preparation basis

Based on going concern and according to actually occurred transactions and events, the Company prepared financial statements in accordance with the Accounting Standards for Business Enterprises — Basic Standards and the specific accounting standards, the Accounting Standards for Business Enterprises - Application Guidance, the Accounting Standards for Business Enterprises - Interpretation and other relevant provisions, issued by the Ministry of Finance, (hereinafter referred to collectively as the "Accounting Standards for Business Enterprises"), as well as the disclosure provisions of the Rules for the Compilation and Submission of Information Disclosure by

2. Going concern

The Company currently has sufficient working capital and normal operating conditions. It is estimated that the operating activities of the Company will still continue in the next 12 months.

V. Significant accounting policies and accounting estimates

Specific accounting policies and estimates:

According to relevant regulations of Accounting Standards for Business Enterprises and accounting mechanism, combined with the actual operating characteristics to formulated the corresponding accounting policies and estimates.

1. Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements prepared by the Company meet requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the consolidated and the Company's financial position as of December 31, 2019 as well as operation results and cash flows for the year 2019.

2. Accounting period

The accounting year is from January 1 to December 31 in calendar year.

3. Operating cycle

The Company's operating cycle is 12 months.

4. Functional currency

RMB is adopted as the functional currency.

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

Business combination under common control: The assets and liabilities acquired by the Company in business combinations are measured at book values 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 is adjusted according to the difference between the book value of the net assets acquired in business combination and the book value of the consideration paid for the combination (or total par value of shares issued). If there is no sufficient stock premium in the capital reserves for write-downs, the retained earnings shall be adjusted.

Business combination 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 difference between the fair value and their book value shall be included in the current profit or loss. 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 or loss

after review.

The expenses directly related to the enterprise merger (including auditing charge, legal services and intermediate fee as appraisal consultant and other expenses) shall be recorded into the current profit and loss when incurred. The transaction cost of issuing equity securities or debt securities for the purpose of business merger, equity shall be written-off.

6. Preparation methods of consolidated financial statements

1) Scope of consolidation

The scope of consolidated financial statements of the Company is determined on the basis of control, all subsidiaries (includes the divisible part of the investee that controlled by the Company) are included in consolidate financial statement.

2) Procedures of consolidation

The Company prepares the consolidated financial statements based on financial statements of itself and its subsidiaries and according to other relevant information. Upon preparation of consolidated financial statements, the Company shall deem the whole group as a whole accounting entity, and reflects the overall financial position, operating results and cash flows of the group in accordance with relevant requirements for recognition, measurement and presentation as stated in the Accounting Standards for Business Enterprises as well as uniform accounting policies.

All the subsidiaries within the consolidation scope of consolidated financial statements shall adopt the same accounting policies and accounting periods as those of the Company. If the accounting policies or accounting periods of a subsidiary are different from those of the Company, the consolidated financial statements of the subsidiary, upon preparation of consolidated financial statements, shall be adjusted according to the accounting policies and accounting periods of the Company. For the subsidiaries acquired through business combination not under the same control, adjustments to their financial statements shall be made based on the fair values of net identifiable assets on the acquisition date. For a subsidiary acquired through business combination under common control, adjustment to its financial statements shall be made based on the book values of its assets and liabilities (including goodwill formed in the acquisition of the subsidiary by its ultimate controller) as presented in the financial statements of the ultimate controller.

The share of owners' equity, current net profits and losses, and current comprehensive income of subsidiaries attributable to minority owners shall be respectively and separately listed under the owner's equity item of a consolidated balance sheet, the net profit item of a consolidated income statement, and the total comprehensive income in a consolidated income statement. Where the current losses shared by a minority shareholder of a subsidiary exceeds the balances arising from the shares enjoyed by the minority shareholder in the owners' equity of the subsidiary at the beginning of the period, minority equity shall be written down accordingly.

(1) Increase of subsidiaries or business

During the reporting period, if the Company acquired subsidiaries or business from the business combination under common control, the beginning balance in the consolidated statement of financial position shall be adjusted; the revenue, expenses and profits of the newly acquired subsidiaries or business from the beginning to the end of the reporting period shall be included into the consolidated income statement; the cash flows of the newly acquired subsidiaries or business from the beginning to the end of the reporting period shall be included in the consolidated statement of cash flow. Relevant items in the comparative financial statements of the subsidiaries shall be adjusted accordingly, as if the reporting entity after the business combination exists at the time when the ultimate controller has the control power.

Where control can be exercised on the investee under the common control for additional investment or other reasons, adjustment will be made as if all parties involved in the combination exist at the beginning of the control by the ultimate controller. Equity investments held before the control over the combined party is obtained, the related gains and losses, other comprehensive income as well as other changes in net assets recognized from the later of the date when the original equity is obtained or the date when the acquirer and the acquiree are under the same control, to the combination date will respectively write down the retained earnings or current profit or loss in 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 revenue, 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 control the investee not under common control from additional investments, it shall re-measure equity of the acquiree held before the acquisition date at the fair value of such equity on the acquisition date and include the difference of the fair value and book value in the investment income in the year. Where equity of the acquiree held before the acquisition date involves in other comprehensive income accounted for under equity method and other changes in owners' equity other than net profits or losses, other comprehensive income and profit distribution, the relevant other comprehensive income and other changes in owners' equity shall be transferred to investment income in the year which the acquisition date falls in, except for other comprehensive income from changes arising from re-measurement of net liabilities or net assets of defined benefit plan by the investee.

(2) Disposal of subsidiaries or business

① General method of treatment

During the reporting period, where the Company disposes of any subsidiary or business, the revenues, expenses and profits of the subsidiary or business from the beginning period to the disposal date shall be included in the consolidated income statement; cash flows of the subsidiary or business from the beginning period to the disposal date shall be included in the consolidated statement of cash flows.

When the Company loses the control over the investee due to disposal of partial equity investment or other reasons, the remaining equity investment after the disposal will be re-measured by the Company at its fair value on the date of loss of the control. The difference of the sum of the consideration acquired from disposal of equities and the fair value of the remaining equities less the sum of the share calculated at the original shareholding ratio in net assets of the original subsidiary which are continuously calculated as of the acquisition date or the combination date and goodwill shall be included in the investment income of the period in which the control is lost. 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 the 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 defined benefit plan.

Where the Company loses the control of any subsidiary due to the decline in its shareholding ratio in the subsidiary, caused by the increase of investment in the subsidiary by other investors, the accounting treatment shall be conducted according to the above principles.

② Disposal of subsidiaries by stages

If the control is lost due to disposal of the equities in subsidiaries through multiple transactions by stages, and the terms, conditions and economic impact of the transactions related to the enterprise's disposal of its investment in the subsidiaries meet one or more of the following circumstances, it usually indicates that multiple transactions should be included in a package deal and subject to accounting processing as below:

- i. These transactions are concluded at the same time or under the consideration of mutual effect;
- ii. These transactions as a whole can reach a complete business result;
- iii. The occurrence of a transaction depends on the occurrence of at least one other transaction;
- iv. A single transaction is uneconomical but 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 interest of subsidiaries

The share premium in the capital reserves under the consolidated balance sheet will be adjusted at the difference between the long-term equity investment acquired by the Company for the purchase of minority interest and the share of net assets calculated constantly from the acquisition date (or combination date) according to the newly increased shareholding ratio. Where the share premium is insufficient to offset, retained earnings will be adjusted.

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

The share premium in the capital reserves under the consolidated balance sheet will be adjusted at the difference between the proceeds achieved from the partial disposal of long-term equity investments in subsidiaries and the share of net assets of subsidiaries attributable to the Company corresponding to the disposal of long-term equity investments and calculated constantly from the acquisition date or combination date, without losing the control. Where the share premium is insufficient to write down, the retained earnings will be adjusted.

7. Classification and accounting treatment of joint venture arrangements

Joint venture arrangements are classified into joint operation and joint venture.

Joint operation refers the joint venture arrangement where the Company is a joint venture and enjoys assets relevant the joint venture arrangement and assumes liabilities relevant to the same.

The Company recognizes the following items related to its share of benefits in the joint operation and conduct accounting treatment in accordance with relevant accounting standards for business enterprises:

- (1) Assets peculiar to the Company and assets jointly owned by the Company based on shares held;
- (2) Liabilities undertaken by the Company solely and liabilities jointly undertaken by the Company based on shares held;
- (3) Revenue from the sales of output share enjoyed by the Company in the joint operation;
- (4) Revenue from the sales of the joint operation output based on the shares held by the Company; and
- (5) Separate costs, and costs for the joint operation based on the shares held by the Company.

8. Recognition criteria of cash and cash equivalents

For the purpose of preparing the statement of cash flows, the term “cash” refers to the cash on hand and the unrestricted deposit of the Company. The term “cash equivalents” refers to short-term (maturing within three months from acquisition) and highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

9. Foreign currency business and statement translation

Foreign currency transactions are translated into RMB for recording purpose at the spot exchange rate prevailing on the transaction date.

The balance of foreign currency monetary items 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. Foreign currency non-monetary items measured at historical costs shall still be converted at the spot exchange rates when the transactions occur, without changing the functional currency amount. Foreign currency non-monetary items measured at fair value shall be translated at the spot exchange rates on the day when the fair value is determined. The exchange difference arising therefrom is included in the current profit and loss or capital reserves.

10. Financial instruments

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

- 1) Classification of financial instruments

Upon initial recognition, financial assets and financial liabilities are classified into: 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 interests or cash dividends to be received during the holding period are recognized as investment income. Change in fair values is included in the current profit and loss at the end of the period.

The difference between the fair value and the initial book-entry value is recognized as investment income upon disposal; meanwhile, adjustments are made to profits 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 is calculated and recognized according to amortized costs and effective interest rates (as per coupon rates if the difference between effective interest rates and coupon rates is small) during the holding period, and is included in the 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, other receivables, notes receivable, prepayment and others, the initial recognition amount shall be the contract price or agreement price receivable from purchasing party; for those with financing nature, they 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 interests or cash dividends to be received during the holding period 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 profit or loss 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 investment gains or losses.

(5) Other financial liabilities

Other financial liabilities are initially recognized at the sum of fair value and transaction expenses, and subsequently measured at amortized costs. Subsequent measurement is conducted at the amortized cost.

3) Recognition basis and measurement method of the 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.

When determining whether the transfer of a financial asset meets the above de-recognition criteria of financial assets, the Company adopts the principle of substance over form. The Company classifies the transfer of a financial asset 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 de-recognition, 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 the 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 financial assets does not meet the de-recognition criteria, the financial assets shall continue to be recognized, and the consideration received will be recognized as a financial liability

4) De-recognition 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 shall 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 shall be derecognized, and at the same time, the new financial liability shall be recognized.

Where substantive changes are made to the contract terms of existing financial liability in whole or in part, the existing financial liabilities or part thereof will be derecognized, and the financial liability the terms of which have been modified will be recognized as a new financial liability.

Where financial liabilities are derecognized in whole or in part, the difference between the book value of the financial liabilities derecognized and the consideration paid (including non-cash assets transferred out or new financial liabilities borne) shall be included in the current profit or loss.

Where the Company redeems part of its financial liabilities, it shall, on the redemption date, allocate the entire book value of whole financial liabilities according to the comparative fair value of the part that continues to be recognized and the de-recognized part. 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 or loss.

5) Determination method of the fair value of financial assets and financial liabilities

The fair value of a financial instrument, for which there is an active market, is the prices quoted for it therein. The fair value of a financial instrument, for which there is no active market, is determined by using 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 that are consistent with the features of assets or liabilities as considered by market participants in relevant asset or liability transactions, and gives priority to use 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 for impairment of financial assets

Accounting policies applicable as of 1 January 2019

The Company estimates, individually or in combination, the expected credit losses of financial assets measured at amortized cost and financial assets (debt instruments) measured at fair value whose changes are included in other comprehensive income, taking into account all reasonable and evidence-based information, including forward-looking information. The measurement of expected credit losses depend on whether the credit risk of

financial assets has increased significantly since the initial recognition.

If the credit risk of the financial instruments has increased significantly since the initial recognition, the Company shall measure the loss provision at the amount equivalent to the expected credit loss of the financial instrument for the entire life of the instrument. If the credit risk of the financial instruments has not increased significantly since the initial recognition, the Company shall measure the loss provision at the amount equivalent to the expected credit loss of the financial instrument in the next 12 months. The increase or rollover amount of the loss provision resulting therefrom shall be recorded in the current profit and loss as an impairment loss or gain.

The credit risk of the instrument is generally deemed to have increased significantly if the default is more than 30 days, unless there is conclusive evidence that the credit risk of the instrument has not increased significantly since the initial confirmation.

If the credit risk of the financial instrument is low on the balance sheet date, the Company considers that the credit risk of the financial instrument has not increased significantly since the initial recognition.

If there is objective evidence that the credit impairment of a financial asset has occurred, the Company shall make provision for the impairment of the financial asset on a single basis.

11. Note receivable

12. Account receivable

For account receivables, whether or not they contain significant financing elements, the Company measures the loss provisions according to the expected credit loss for the whole duration. For account receivables having objective evidence that there is an impairment and applicable to a single assessment, shall be subjected to an impairment test, to confirm the expected credit loss, and make a single impairment provision. For account receivables without objective evidence of impairment, or when a single financial asset cannot be evaluated the credit loss at a reasonable cost, the Company divides account receivables into several portfolios according to the credit risk characteristics, to calculate the expected credit loss on the basis of the portfolios. The basis for determining the portfolios is as follows:

Portfolio Name	Basis
Account Receivables Portfolio 1	External Customers for Account Receivables
Account Receivables Portfolio 2	Consolidated Related Party Customers for Account Receivables

For the account receivables divided into portfolios, the Company refers to the history of credit loss experience, combined with the current situation and the forecast of the future economic situation, to prepare tables of aging of account receivables and comparison tables of expected credit loss rate of the entire duration, and to calculate the

expected credit loss

For lease receivables, long-term receivables formed by the Company through the sale of goods or the provision of services, the Company chooses to always measure its loss provisions at an amount equal to the expected credit loss for the entire duration.

For other receivables, if the credit risk has not significantly increased since the initial recognition, it is in the first stage. The Company shall measure the loss provision according to the expected credit loss in the next 12 months. If the credit risk has increased significantly since the initial recognition, but the credit impairment has not occurred, it is in the second stage. If the credit impairment has occurred since the initial recognition, it is in the third stage. The Company shall measure the loss provision according to the expected credit loss of the instrument throughout its life.

13. Receivables financing

Consistent with the Accounting Standards for Business Enterprise

14. Other receivable

Methods of determining for expected credit losses of other receivable and accounting treatment

The Company divides other receivables into several portfolios based on the credit risk characteristics. The basis for determining the portfolio is as follows:

Portfolio Name	Basis
Other Receivables Portfolio 1	Deposit, Security Deposit and Reserve Receivables
Other Receivables Portfolio 2	Receivables of Advance Payment for Another Party
Other Receivables Portfolio 3	Unified collection of advance payment of other receivables

For other receivables divided into portfolios, the Company refers to historical experience in credit loss, combined with the current situation and forecasted future economic situation, and by default risk exposure and the credit loss rate within next 12 months or the whole duration, to calculate the expected credit losses.

15. Inventories

1. Classification of inventories

The inventories are classified into: raw materials, commodity stocks, low-value consumables, food materials, fuels, etc.

2. Measurement of inventories dispatched

The commodity stocks are accounted for based on their selling prices, and the difference between the commodity purchasing price and the selling price is adjusted monthly by the comprehensive spread rate method. The inventory materials are measured at actual cost when purchased and warehoused, and measured using the first-in first-out method when applied for use and dispatched. Low-value consumables are amortized on a one-off basis when applied for use.

3. Determining basis of the net realizable value of inventories and method for inventory depreciation reserve

After the comprehensive check of the inventories at the end of the period, the inventory depreciation reserves are provided or adjusted at their costs or net realizable values, whichever are lower.

For inventories for direct sale, including commodity stocks and materials for sale, their net realizable values shall be recognized at the estimated selling prices minus the estimated selling expenses and the relevant taxes and surcharges in the normal operation process. For inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities held by the Company are more than the quantities ordered in sales contracts, the net realizable value of the excess portion of inventories shall be based on general 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 separate from other items for measurement purposes, the provisions for inventory depreciation reserve are made on a portfolio basis.

Where the previous factors affecting the written-down of the value of inventory have disappeared, the amount of write-down shall be resumed and be reversed from the original provision for inventory devaluation with the reversal being included in current profit and loss.

4. Inventory system

Perpetual inventory system is adopted.

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

- (1) Low-cost consumables are amortized in a lump sum;
- (2) Packaging materials are amortized in a lump sum.

16. Contractual assets

Consistent with the Accounting Standards for Business Enterprises

17. Contractual costs

Consistent with the Accounting Standards for Business Enterprises

18. Assets holding for Sale

The Company classifies non-current assets or disposal groups that meet the following conditions as holding for sale:

- (1) Subject to the practice of selling such assets or disposal groups in similar transactions, the sale can be effected

immediately under the current circumstances;

(2) A sale is highly likely to occur, that is, the Company has made a decision on a sale plan and obtained a firm purchase commitment, and the sale is expected to be completed within one year. Where the relevant provisions require the approval of the relevant authority or regulatory authority of the company before the sale, the approval has been obtained.

19. Investment in debt obligations

Consistent with the Accounting Standards for Business Enterprises

20. Other investment in debt obligations

Consistent with the Accounting Standards for Business Enterprises

21. Long-term account receivable

Consistent with the Accounting Standards for Business Enterprises

22. Long-term equity investment

Judgment criteria for joint control and significant influence

Joint control refers to the control shared over an arrangement in accordance with the relevant stipulations, and the decision-making of related activities of the arrangement should not be made before the party sharing the control right agrees the same. Where the Company exercises joint control over the investee together with other parties to the joint venture and enjoys the right on the investee's net assets, the investee is a 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, such as appointing representative to the board of directors or similar organs of authority of the investee, but not the power to control the investee, or jointly control, the formulation of such policies with other parties. Where an investing enterprise is able to have significant influences on an investee, the investee is its associate.

Determination of initial investment cost

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

Business combination under common control: if the Company pays a consideration to the combinee in cash, by transferring non-cash assets or by assuming debts and issuing equity securities, the share of book value of its owners' equity in the combinee in the consolidated financial statements of the ultimate controller shall be

recognized, on the combination date, as the initial cost of the long-term equity investment. If the invested entity under the same control can be controlled due to additional investment and other reasons, the initial investment cost of long-term equity investment shall be determined according to the share of the net assets of the merged party in the carrying value of the consolidated financial statements of the ultimate controlling party after the merger. The difference between the initial investment cost of the long-term equity investment on the date of the merger and the sum of the book value of the long-term equity investment before the merger together with the book value of the further acquisition of the newly paid consideration of the shares on the date of the merger shall be adjusted for the equity premium.

For long-term equity investments acquired from business combinations under common control, the investment initial cost thereof shall be recognized at the share of book value of the combinee's net assets 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 sum of the book value of long-term equity investments before the combination and the book value of consideration newly paid for additional shares; if there is no sufficient stock premium to be written down, 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 investments acquired by other means

For long-term equity investments acquired from cash payment, the initial investment cost is the actually paid purchasing cost.

For the long-term equity investments acquired through issuing the equity securities, the fair value of equity securities issued shall be recognized as the initial investment cost.

On the premise that non-monetary asset trade is of commercial nature and the fair value of the asset traded in or out can be measured reliably, the initial cost of a long-term equity investment traded in with non-monetary asset should be determined according to the fair value of the asset traded out and relevant taxes and surcharges payable, unless any unambiguous evidence indicates that the fair value of the asset traded in is more reliable; as to the non-monetary asset trade not meeting the aforesaid premise, the book value of the asset traded out and relevant taxes and surcharges payable should be recognized as the initial cost of the long-term equity investment.

For the long-term equity investment obtained through debt restructuring, its recorded value shall be determined by the fair value of the abandoned creditor's rights and the taxes directly attributable to the assets and other costs, and the difference between the fair value and book value of the abandoned creditor's rights shall be recorded into the

current profit and loss.

Subsequent measurements and recognition of profit or loss

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

Long-term equity investments of the Company in its subsidiaries are accounted for by 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 current investment income based on the cash dividends or profits enjoyed by the Company and declared to be distributed by the investee.

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

The Company's long-term equity investments in its associates and joint ventures are calculated 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 long-term equity investment; 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, in accordance with its attributable share of the net profit or loss and other comprehensive income realized by the investee, respectively recognize the investment income and other comprehensive income and simultaneously adjust the book value of the long-term equity investment. The Company shall, in the light of the profits or cash dividends that the investee declares to distribute, reduce the book value of the long-term equity investment correspondingly. As to any change in owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution, the Company shall adjust the book value of the long-term equity investment and include such change into the owners' equity.

When recognizing the attributable share of net profit or loss of the investee, the Company shall, based on the fair value of identifiable net asset of the investee when it obtains the investment, recognize its attributable share of the net profit or loss of the investee after the adjustment according to the Company's accounting policy and accounting period. 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 calculates its attributable profit or loss of internal transactions that are not realized arising among itself, associates and joint ventures based on its attributable percentage and offset it, and determines the investment income on that basis. Unrealized internal transaction loss incurred between the Company and the investee shall be recognized in full amount if such loss belongs to the asset impairment. For the asset investment or sale transactions with associated enterprises or joint ventures, according to the notes regarding to “3.5 Accounting treatment methods for business combinations under and not under common control” and “3.6 Preparation methods of consolidated financial statements” which should be carried out in accordance with the relevant policies if the asset forms a part of the Company's business.

When the Company confirms that it should share losses of the investee, treatment shall be done in following sequence: first, writing down the book value of long-term equity investments. Secondly, if the book value of the long-term equity investments is insufficient to be offset, the Company shall continue to recognize the investment loss to the extent of the book value of long-term interests which substantially form the net investment in the investee and offset the book value of the long-term receivable items and other items. 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. If the investee achieves profit in subsequent periods, the Company shall, after deducting any unrecognized investment losses, reduce book value of estimated liabilities recognized, restore book values of other long-term equity which form net investment in the investee in substance, and of long-term equity investment according to the reversed sequence described above, and recognize investment income at the same time.

(3) Disposal of long-term equity investments

For the disposal of long-term equity investments, the difference between the book value and the actual price thereof shall be included in the current profit or loss.

Where a long-term equity investment is accounted for under the equity method, accounting treatment should be made on the part which is originally included in other comprehensive income according to corresponding ratio by using the same basis for the investee to directly dispose of the relevant assets or liabilities when the investments are disposed of. Owner's equity recognized from changes in other owner's equity of the investee other than net profit and loss, other comprehensive income and the profit distribution should be included in the current profit and loss according to the proportion.

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, while 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 or loss. As to other comprehensive income recognized based on measurement of the original equity investment under the equity method, accounting treatment shall be made on the same basis as would be required if the investee had directly disposed of the assets or liabilities related thereto when measurement under the equity method is terminated. 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 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 separate financial statements, the remaining equity after disposal that can jointly control or have significant influence on the investee will be measured at the equity method, and the remaining equity should be deemed to have been adjusted at equity method on acquisition.

If the remaining equity after disposal cannot exercise joint control or significant influence over the investee, such remaining equity shall be subject to the accounting treatment according to the recognition and measurement standards of financial instruments, and the difference between its fair value and book value on the date when control losses is included in current profit or loss.

Where the equity disposed of are acquired through business combination as a result of additional investment and other reasons, if the remaining equities after disposal are calculated under the cost method or equity method upon preparation of separate financial statements, other comprehensive income and other owners' equities recognized in equity investments held before the acquisition date as a result of employment of equity method for accounting shall be carried forward pro rata; if the remaining equities after disposal are calculated according to the provisions on Recognition and Measurement of Financial Instruments, other comprehensive income and other owners' equities will all be carried forward.

23. Investment properties

Measurement mode

Measured by cost method

Depreciation or amortization method

The investment properties refer to the properties held for earning rentals or/and capital appreciation, 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 the existing investment properties by using the cost model. For investment property measured by using the cost model, the buildings for lease shall be depreciated by using policies the same as used for fixed assets of the Company, and the land use rights for lease shall be amortized by using the same policies as applicable to intangible assets.

24. Fixed assets

(1) Recognition criteria

Fixed assets refer to tangible assets held for the purpose of producing commodities, providing services, renting or business management with useful lives exceeding one year. Fixed assets are recognized when they simultaneously meet the following conditions:

- (1) It is probable that the economic benefits relating to the fixed assets will flow into the Company; and
- (2) The costs of the fixed assets can be measured reliably.

(2) Depreciation method of fixed assets

Asset type	Depreciation method	Year for depreciation	Residual value rate	Yearly depreciation rate
Buildings and constructions	Straight-line method	20-40	5%	4.75%-2.37%
Machinery equipment	Straight-line method	8-20	5%	11.87%-4.75%
Electronic entertainment equipment	Straight-line method	5-16	5%	19%-5.93%
Transportation equipment	Straight-line method	7-12	5%	13.57%-7.91%
Other equipment	Straight-line method	8	5%	11.87%

(3) Reorganization basis, valuation and depreciation method for financial lease assets

If any of the following conditions is stipulated in the terms of the lease agreement signed between the company and the lessee, it shall be recognized as the financing leased assets:

- 1) After the expire of the lease term, the ownership of the leased assets shall be vested in the company;
- 2) The company has an option to purchase the asset, the purchase price is far less than the fair value of the asset when the option is exercised;
- 3) The leasing term is the majority of the life of the leased asset;
- 4) The present value of the minimum lease payment on the beginning of the lease does not have many differences from the fair value of the asset;

On the starting date of the lease, the company takes the lower between the fair value of the leased asset and the present value of the minimum lease payment as the book value of the leased asset, and the minimum lease payment as the book value of the long-term payable, and the difference between the fair value of the leased asset and the present value of the minimum lease payment as the unrecognized financing fee.

25. Construction in progress

The book-entry values of the fixed assets are stated at total expenditures incurred before reaching working condition for their intended use. Where a construction in progress reaches the working condition for its intended use but the final account for completion is not made yet, it shall be transferred into fixed assets from the date when it reaches the working condition for intended use at the estimated value according to the project budget, construction price or actual cost, and the depreciation of the said fixed assets shall be accrued according to the Company's depreciation policies applicable to fixed assets. After the final account for completed project is done, the Company adjusts the original estimated value of the fixed asset in accordance with the actual cost, but does not adjust the provision for such depreciation that had been accrued.

26. Borrowing costs

1. Recognition principles of capitalization of borrowing costs

Borrowing costs include interest thereon, amortization of discounts or premiums, ancillary expenses and exchange differences incurred on account of 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 relevant asset costs; other borrowing costs should be recognized as costs according to the amount incurred and be included into current profit and loss.

Assets meeting the capitalization requirements refer to fixed assets, investment properties and inventories, etc. that need to be purchased, constructed or produced for a long time to be available for intended use or sale.

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

- (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; and
- (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 the beginning of capitalization to the cease of capitalization, excluding the period of capitalization suspension of borrowing costs.

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 assets should be ceased.

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.

3. Period of capitalization suspension

If the acquisition, 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 their intended use or sale, the borrowing costs continue to be capitalized. Borrowing costs incurred during the interruption are recognized as the current profit or loss and continue to be capitalized until the acquisition, construction or production of the assets restarts.

4. Calculation method of capitalization amount of borrowing costs

As for special borrowings for acquiring, constructing or producing assets eligible for capitalization, borrowing costs of special borrowings actually incurred in the current period less the interest income from undrawn borrowings deposited in the bank or investment income from 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 at end of each month by the capitalization rate of used general borrowings. The capitalization rate is calculated by weighted average interest rate of general borrowings.

27. Biological assets

Nil

28. Oil-and-gas assets

Nil

29. Right-of-use assets

Nil

18. Intangible assets

(1) Valuation method, useful lives and impairment

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

The costs of externally purchased intangible assets include purchase prices, relevant taxes and surcharges and other directly attributable expenditures incurred to prepare the assets for their intended uses. If the payment for an intangible asset is delayed beyond the normal credit conditions and it is of the financing nature, the cost of the intangible asset shall be determined on the basis of the present value of the purchase price.

The intangible assets acquired which the debtor uses to pay back the debt in debt restructuring should be recognized 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 pay back the debt should be included in the current profit or loss;

When the exchange of non-monetary assets is of commercial nature and the fair value of the assets received or surrendered assets can be measured reliably, the measurement shall be based on the fair value. If the fair value of the assets received or surrendered assets can be measured reliably, the fair value of the surrendered assets and

relevant taxes should be paid as the initial investment cost of the intangible assets received, unless there is conclusive evidence that the fair value of the asset received is more reliable. If the exchange of non-monetary assets does not have commercial substance, or the fair value of the assets received or surrendered assets cannot be measured reliably, the book value of the surrendered assets and related taxes should be paid as the initial investment cost of the intangible assets received.

2) Subsequent measurement

The useful lives of the intangible assets are analyzed and determined on acquisition.

Intangible assets with definite useful lives shall be amortized with the straight-line method within the period when the intangible assets generate economic benefits for the Company; if the said period cannot be forecast, the intangible assets shall be deemed as those with indefinite useful lives and shall not be amortized.

3. Estimate of the useful life of the intangible assets with definite useful lives

Item	Estimated useful life	Amortization method	Basis
Land use right	50 years	Straight-line amortization method	Useful life prescribed in the Certificate of Land Use Right

(2) Accounting policy of internal R&D expenditures

31. Long-term assets impairment

For the long-term equity investments, investment properties, 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 result of the impairment test shows that the recoverable amount of the asset is lower than its book value, the provision for impairment shall be made and included in 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. Provision for assets impairment is made on individual asset basis. If it is difficult to estimate the recoverable amount of the individual asset, the Group shall estimate the recoverable amount of the asset group that the individual asset belongs to. The asset group is the minimum asset group that can independently generate the cash inflow.

Goodwill, intangible assets with uncertain useful life and intangible assets that have not yet reached the usable state shall be tested for impairment at least at the end of each year.

The Company conducts the goodwill impairment test, and the carrying value of the goodwill formed by the enterprise merger shall be allocated to the relevant asset group in a reasonable way from the purchase date. If it is difficult to apportion to the relevant asset group, apportion to the relevant asset group portfolio. When the Company allocates the book value of goodwill, it allocates the goodwill according to the relative benefits that the relevant asset group or asset group portfolio can obtain from the synergetic effect of the enterprise merger, and

carries out the goodwill impairment test on this basis.

Goodwill in the relevant asset groups or combination of group assets impairment tests, such as the asset group or combination of group assets related to goodwill there are signs of impairment, the first does not include the goodwill of the asset group or combination of group assets impairment test, calculation of recoverable amount, and compared with the related book value, confirm the corresponding impairment loss. Goodwill to the asset group or combination of group assets for impairment test, compare the book value of the relevant asset groups or combination of group assets (including the contribution of the book value of the goodwill) with its recoverable amount, such as the relevant asset groups or combination of group assets recoverable amount is lower than its book value, confirm the goodwill impairment loss. The above asset impairment loss shall not be reversed in subsequent accounting periods once recognized.

32. Long-term deferred expenses

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

1. Amortization method

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

2. Amortization years

Item	Amortization years
Hotel exterior decoration	4 years
Fire stairs renovation	4 years
Renovation of guest rooms in Building C, Decoration and renovation of Building A	5 years
Villa renovation	5 years
Swimming pool renovation, Pavement modification projects	5 years
Roof waterproofing projects	5 years

33. Contract liabilities

Nil

34. Employee compensation

(1) Accounting method for short-term compensation

During the accounting period when employees serve the Company, the actual short-term compensation is recognized as liabilities and included in current profit and loss or costs associated with assets.

The appropriate amount of employee compensation payable will be determined during the accounting period

when the employees provide services for the Company based on the medical insurance, work injury insurance and maternity insurance and other social insurance and housing fund paid by the Company for employees, as well as trade union funds and employee education funds withdrawn according to provisions at the accrual basis and accrual ratio.

The employee benefits in the non-monetary form shall be measured at fair value.

(2)Accounting method for dismissal welfare

1) Defined contribution plans

The Company shall pay the basic endowment insurance and unemployment insurance for the employees according to the relevant provisions of the local government. During the accounting period when the employees provide services for the Company, the amount of payment shall be calculated according to the payment base and proportion stipulated by the local government, which shall be recognized as liabilities and recorded into the current profit and loss or the cost of related assets.

In addition to the basic endowment insurance, the Company has also established the enterprise annuity payment system (supplementary endowment insurance)/enterprise annuity plan according to the relevant policies of the national enterprise annuity system. The Company shall pay the fee to the local social insurance institution/annuity plan according to a certain proportion of the employee's total salary, and the corresponding expenses shall be included in the current profit and loss or related asset cost.

2) Defined benefit plans

According to the formula determined by the law of expected accumulative welfare units, the company will attribute the welfare obligations generated by the established benefit plan to the period during which the employee provides services, and record them into the current profit and loss or the cost of related assets.

The deficit or surplus resulting from the present value of the defined benefit plan obligations minus the fair value of the defined benefit plan assets is recognized as the net liability or net asset of a defined benefit plan. If there is a surplus in the defined benefit plan, the company shall measure the net assets of the defined benefit plan by the lower of the surplus and the asset ceiling.

All defined benefit plan obligations, including those expected to be paid within 12 months of the end of the employee's annual reporting period for the provision of services, are discounted by the market rate of return on Treasury bonds or high-quality corporate bonds in the active market that matches the duration and currency of the defined benefit plan obligations on the balance sheet date.

The service costs incurred by the defined benefit plan and the net interest on the net liabilities or net assets of the

defined benefit plan are recorded in the current profits and losses or the costs of related assets. The changes caused by the net liabilities or net assets of the defined benefit plan shall be accounted for in other comprehensive income, and shall not be transferred back to the profits and losses in the subsequent accounting period. Upon the termination of the original defined benefit plan, all the parts previously accounted for in other comprehensive income shall be carried forward to the undistributed profit within the scope of equity.

When establishing the settlement of the benefit plan, the difference between the present value of the obligation of the established benefit plan and the settlement price determined on the settlement date shall be used to confirm the settlement gains or losses.

(3) Accounting method for post-employment benefits

The Company pays the basic endowment insurance premiums and unemployment insurance for employees according to the relevant provisions of the local governments. During the accounting period when employees serve the Company, the paid amount which is calculated based on the payment base and proportion as stipulated in the provisions of the local place is recognized as liabilities and included in the current profit or loss or assets-related assets cost.

(4) Accounting method for other long-term employee welfare

35. Lease liability

Nil

36. Estimated liabilities

When the Company involves in proceedings, debt guarantees, onerous contracts and reorganization events, if such events may require delivery of assets or rendering of services in the future and the amounts of such events can be reliably measured, such events are recognized as estimated liabilities.

(1) Recognition criteria of estimated liabilities

When an obligation relating to a contingency meets all the following conditions at the same time, it is recognized as an estimated liability:

- 1) Such obligation is a present obligation of the Company;
- 2) The performance of this obligation may very probably lead to the flow of economic interests out of the Company; and
- 3) The amount of the obligation can be measured reliably.

(2) Measurement method of estimated liabilities

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

When determining the best estimates, the Company comprehensively considers the risks, uncertainties, time value of money, and other factors relating to the contingencies. If the time value of money is significant, the best estimates will be determined after discount of relevant future cash outflows.

The best estimates shall be treated 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 should 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 estimates should be determined according to all the possible outcomes with their relevant probabilities.

When all or part of the expenses necessary for the settlement of estimated liabilities of the Company are expected to be compensated by a third party, the compensation shall be separately recognized as an asset only when it is virtually certain to be received. The compensation recognized shall not exceed the book value of the estimated liabilities.

37. Share-based payment

Nil

38. Other financial instrument as preferred stock and perpetual bond etc.

Nil

39. Revenue

Whether the new revenue standards been implemented

Yes No

Accounting policies used for revenue recognition and measurement

(1) Recognition and measurement principles for revenue from sale of goods

1) Revenue from sales of goods is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods.

2) The Company retains neither continuous management rights associated with ownership of the goods sold nor

effective control over the goods sold.

- 3) The relevant amount of income can be measured reliably.
- 4) It is highly likely that the economic benefits associated with the transaction will flow into the Company.
- 5) And the relevant amount of cost incurred or to be incurred can be measured reliably.

(2) Recognition criteria of revenue from sale of goods of the Company and specific judgment criteria of recognition time

In the provision of hotel housing services at the same time, the Company provides goods to customers and will prepare daily sales list after confirming with the Rooms Department and the hotel front desk. Based on the sales list, the finance department confirms that the major risks and rewards of ownership of the goods have been transferred to the customer and then the sales revenue is recognized.

(3) Recognition and measurement principles of revenue from rendering of service

1) For the hotel rooms, catering (breakfast) and other services to be provided by the Company, after they are provided, and the Company checks with the sales department and the front check, the Company will prepare the daily sales reports and accounts receivable list to the finance department, which will review the same, after which, the revenue will be recognized.

2) For the revenue from restaurants and venues contracted out, they will be recognized in accordance with the period stipulated in the contract or agreement and the collection timing.

(4) Recognition of revenue from transferring use right of assets

When the economic benefits relating to the transactions is possible to flow into the Company and the amount of revenue can be measured reliably, revenues should be recognized. Revenues from transfer of right to use assets are recognized under the following circumstances:

- 1) Interest income is determined based on the time when the monetary funds are lent and the effective rate.
- 2) The amount of revenues from usage is determined based on the charging time and method as agreed in relevant contract or agreement.

40. Government grants

(1) Type

Government grants refer to the monetary or non-monetary assets obtained by the Company from the government for free. Government grants are divided into asset-related government grants and income-related government grants.

Asset-related government grants refer to government grants obtained by the Company for forming long-term assets by acquisition, construction or other manners. Income-related government grants refer to government grants excluding the asset-related government grants.

(2) Recognition time and measurement

Government grants can be recognized when simultaneously meeting the following conditions:

- 1) The enterprise can meet conditions attached to government grants; and
- 2) The enterprise can receive government grants.

If a government grant is a monetary asset, it shall be measured at the amount received or receivable. Government grants shall be measured at receivables when there is strong evidence at the end of the period that such grants comply with the relevant conditions prescribed by the financial support policies and the financial support funds are expected to be received. Other financial grants shall be confirmed according to the amount of money received.

If government grants are non-monetary assets, they shall be measured at its fair value; and if the fair value cannot be obtained in a reliable way, they shall be measured at a nominal amount.

(3) Accounting treatment

Asset-related government grants shall be used to offset the book value of relevant assets or recognized as deferred income. If asset-related government grants are recognized as deferred income, they shall be included in profit or loss by stages by a reasonable and systematic method within the useful lives of relevant assets. (Any government grant related to the daily activities of an enterprise shall be included into other income in accordance with the business nature. Government grants unrelated to the daily activities of enterprises shall be recorded as non-operating revenues and expenditures.)

For government grants associated with income that are used to recover relevant costs or losses of the enterprise in subsequent period are recognized as deferred income and included in the current profit or loss when relevant costs or losses are recognized. (Any government grant related to the daily activities of an enterprise shall be included into other income in accordance with the business nature. Government grants unrelated to the daily activities of enterprises shall be recorded as non-operating revenues and expenditures.) If government grants related to income are used to compensate the relevant costs and losses that have occurred, such government grants should be directly included in the current profit or loss. (Any government grant related to the daily activities of an enterprise shall be included into other income in accordance with the business nature. Government grants unrelated to the daily activities of enterprises shall be recorded as non-operating revenues and expenditures.)

The discount interest of preferential policy loans obtained by the Company shall be divided into the following two cases for accounting treatment:

- 1) If the finance department allocates the discount interest fund to the lending bank, and the lending bank provides the loan to the Company at the preferential policy interest rate, the Company shall take the actual amount of the loan received as the book value of the loan, and calculate the relevant borrowing costs according to the loan principal and the preferential policy interest rate.
- 2) If the finance department directly allocates the discount interest funds to the Company, the Company shall deduct the corresponding discount interest from the relevant borrowing costs.

41. Deferred tax assets and deferred tax liabilities

Deferred tax assets are recognized for deductible temporary differences to the extent that it shall not exceed the taxable income probably obtained in future period that can be used for deducting the deductible temporary differences.

Taxable temporary differences are recognized as deferred tax liabilities in addition to special circumstances.

Special circumstances in which deferred income tax assets or deferred income tax liabilities shall not be recognized include: the initial recognition of goodwill; other transactions or matters excluding business combinations, which affect neither accounting profits nor the taxable income (or deductible losses) when occurred.

When the Company has the statutory right to do settlement with the net amounts, and has the intention to do so or the recovery of assets and the settlement of liabilities are achieved simultaneously, the Company shall present its current income tax assets and current income tax liabilities at the net amounts as the result of one offsetting another.

When the Company has the legal rights to balance income tax assets and income tax liabilities for the current period with net settlement, and deferred income tax assets and deferred income tax liabilities are related to the income tax which are imposed on the same taxpaying subject by the same tax collection authority or on different taxpaying subjects, but, in each important future period in connection with the reverse of deferred income tax assets and liabilities, the involved taxpaying subject intends to balance income tax assets and liabilities for the current period with net settlement at the time of obtaining assets and discharging liabilities, deferred income tax assets and deferred income tax liabilities shall be presented based on the net amount after offset.

42. Lease

(1) Accounting treatment of operating lease

1) The rental fees paid for the asset leased by the Company will be amortized over the entire lease term without deducting rent-free period according to the straight-line method and included in the expenses for the current period. The initial direct costs related to the lease transactions paid by the Company are 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) Lease fees received by the Company from leasing assets shall be amortized at straight-line method over the whole lease period including rent-free period, and shall be recognized as lease income. Initial direct costs relating to lease transactions incurred by the Company shall be recognized as the current expenses; if the amounts are

significant, they shall be capitalized and included in the current income on the same basis as the recognition of lease income.

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

(2) Accounting treatment of finance lease

1) Financial leased assets: on the start date of leasing, the Company takes the lower of the fair value of the leased assets and the present value of the minimum lease payment as the book value of the leased assets, takes the minimum lease payment as the book value of the long-term payable, and the difference as the unrecognized financing expenses. The Company adopts the effective interest rate method to amortize the unrecognized financing expenses during the lease period and record them into financial expenses. The initial direct expenses incurred by the Company shall be included in the value of the leased assets.

2) Financial leasing assets: the Company shall, at the beginning of the lease, recognize the difference between the sum of the receivable financial leasing payments, the unsecured residual value and its present value as unrealized financing income, which shall be recognized as lease income within the period of receiving the rent in the future. The initial direct expenses incurred by the company in connection with the lease transaction shall be included in the initial measurement of the finance lease receivable and shall reduce the amount of income recognized during the lease term.

43. Other significant accounting policies and accounting estimates

Termination of business

Termination of business is a separately identifiable component that meets one of the following conditions and has been disposed of by the Company or placed by the Company as a holding for sale:

- (1) The component represents a separate principal business or a separate principal area of business.
- (2) The component is part of a related plan to dispose of a separate principal business or a separate principal area of business.
- (3) The component is a subsidiary acquired exclusively for resale.

44. Changes in significant accounting policies and accounting estimates

(1) Changes in accounting policies

Applicable Not applicable

Content of and reason for changes in accounting policies	Procedures for examination and approval	Note

<p>In the balance sheet, "notes receivable and accounts receivable" are divided into "notes receivable" and "accounts receivable". "Notes payable and accounts payable" is divided into "notes payable" and "accounts payable". The comparison data are adjusted accordingly.</p>	<p>Resolution of the Board of Directors</p>	<p>The Ministry of Finance promulgated the Circular of the Ministry of Finance on Revising and Issuing the 2019 Versions of General Corporate Financial Statement Templates (Cai Kuai [2019] No.6) on April 30, 2019, and Revising and Issuing the 2019 Version of Consolidated Financial Statements Format (Cai Kuai [2019] No.16) on September 19, 2019, to revise the general corporate financial statement templates.</p>
<p>Provision for expected credit losses is made for "financial assets measured at amortized cost" and "financial assets (debt instruments) measured at fair value and whose changes are included in other comprehensive income".</p>	<p>Board of Directors</p>	<p>In 2017, the Ministry of Finance revised The Accounting Standards for Business Enterprises No. 22 -- Recognition and Measurement of Financial Instruments, the Accounting Standards for Business Enterprises No. 23 -- Transfer of Financial Assets, The Accounting Standards for Business Enterprises No. 24 -- Hedge Accounting, and The Accounting Standards for Business Enterprises No. 37 -- Presentation of Financial Instruments. The revised standards stipulate that for financial instruments whose recognition has not been terminated on the first implementation date, if the previous recognition and measurement are inconsistent with the requirements of the revised standards, adjustments shall be made retroactively. If the data in the previous financial statements are not consistent with the revised standards, no adjustment is required. The Company will adjust retained earnings and other comprehensive earnings for the cumulative impact of retroactive adjustments at the beginning of the year.</p>
<p>Implementation of Accounting Standard for Business Enterprises No. 7 - Exchange of Non-Monetary Assets (revised in 2019)</p>	<p>Board of Directors</p>	<p>The Ministry of Finance issued on May 9, 2019 by the Accounting Standards for Enterprises No. 7 - Exchange of Non-Monetary Assets (2019 revision) (Cai Kuai [2019] No. 8), the revised rules shall enter into force as of June 10, 2019, and the exchange of non-monetary occur between January 1, 2019 and the effective date, adjustments should be based on these criteria. The exchange of non-monetary assets prior to 1 January 2019 does not require retroactive adjustment in accordance with the provisions of these guidelines. The Company's implementation of the above guidelines has no material impact during the reporting period.</p>
<p>Implementation of Accounting Standard for Business Enterprises No. 12 - Debt Restructuring (revised in 2019)</p>	<p>Board of Directors</p>	<p>The Ministry of Finance promulgated the Accounting Standards for Business Enterprises No. 12 - Debt Restructuring (2019 revision) (Cai Kuai [2019] No. 9) on May 16, 2019. The revised standards will be effective from June 17, 2019. For debt restructurings that occur before 1 January 2019, there is no need to make retroactive adjustments in accordance with the provisions of the code. The Company's implementation of the above guidelines has no material impact during the reporting period.</p>

(2) Changes in accounting estimates

Applicable Not applicable

(3) Adjustment on relevant items of financial statement at begging of the year when implemented the new financial instruments standards, new revenue standards or new leasing standards since 2019

√Applicable □Not applicable

Consolidated Balance Sheet

In RMB/CNY

Item	December 31, 2018	January 1, 2019	adjustment
Current assets:			
Monetary funds	15,364,355.30	15,364,355.30	0.00
Balances with clearing companies			
Loans to other banks and financial institutions			
Trading financial assets			
Financial assets measured at fair value through the current profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	426,434.87	388,694.02	-37,740.85
Receivables financing			
Advances to suppliers			
Premium receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	458,242.73	437,169.79	-21,072.94
Including: Interest receivable			
Dividend receivable			
Financial assets purchased under resale agreements			
Inventories	221,390.19	221,390.19	0.00
Contractual assets			
Assets held for sale			

Item	December 31, 2018	January 1, 2019	adjustment
Non-current assets maturing within one year			
Other current assets	1,846,219.79	1,846,219.79	0.00
Total current assets	18,316,642.88	18,257,829.09	-58,813.79
Non-current assets:			
Disbursement of advances and loans			
Lending investments			
Available-for-sale financial assets			
Other lending investments			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments			
Other equity instruments investments			
Other non-current financial assets			
Investment properties	8,384,480.43	8,384,480.43	0.00
Fixed assets	36,497,869.65	36,497,869.65	0.00
Construction in progress			
Productive biological assets			
Oil and gas assets			
Intangible assets	22,205,249.04	22,205,249.04	0.00
Development expenditures			
Goodwill			
Long-term deferred expenses	2,792,876.07	2,792,876.07	0.00
Deferred income tax assets			
Other non-current assets			
Total non-current assets	69,880,475.19	69,880,475.19	0.00
Total assets	88,197,118.07	88,138,304.28	-58,813.79
Current liabilities:			

Item	December 31, 2018	January 1, 2019	adjustment
Short-term borrowings			
Borrowings from central bank			
Deposit funds			
Trading financial liabilities			
Financial liabilities measured at fair value through the current profit or loss			
Derivative financial liabilities			
Notes payable			
Accounts payable	1,607,835.81	1,607,835.81	0.00
Advances from customers	1,291,293.05	1,291,293.05	0.00
Contractual liability			
Funds from sales of financial assets under repurchase agreement			
Absorption of deposits and interbank deposits			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employee compensation payable	2,841,262.35	2,841,262.35	0.00
Taxes and surcharges payable	450,861.87	450,861.87	0.00
Other payable	2,727,483.66	2,727,483.66	0.00
Including: Interest payable			
Dividend payable			
Handling charges and commissions payable			
Reinsurance accounts payable			
Liabilities classified as held for sale			
Non-current liabilities maturing within			

Item	December 31, 2018	January 1, 2019	adjustment
one year			
Other current liabilities			
Total current liabilities	8,918,736.74	8,918,736.74	0.00
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings			
Bonds payable			
Including: preferred stock			
Perpetual bonds			
Lease liability			
Long-term payable			
Long-term employee compensation payable			
Estimated liabilities	1,489,685.04	1,489,685.04	0.00
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	1,489,685.04		
Total liabilities	10,408,421.78	1,489,685.04	0.00
Owners' equity:			
Share capital	364,100,000.00	364,100,000.00	0.00
Other equity instruments			
Including: preferred stock			
Perpetual bonds			
Capital reserves	54,142,850.01	54,142,850.01	0.00
Less: treasury stock			
Other comprehensive income			

Item	December 31, 2018	January 1, 2019	adjustment
Special reserves			
Surplus reserves			
General risk reserves			
Undistributed profit	-340,454,153.72	-340,512,967.51	0.00
Total equity attributable to owners of the parent company	77,788,696.29	77,788,696.29	0.00
Minority equity			
Total owners' equity	77,788,696.29	77,788,696.29	
Total liabilities and owners' equity	88,197,118.07	88,197,118.07	0.00

Explanation on adjustment: nil

The Parent Company's Balance Sheet

In RMB/CNY

Item	December 31, 2018	January 1, 2019	Adjustment
Current assets:			
Monetary funds	14,864,055.73	14,864,055.73	
Trading financial assets			
Financial assets measured at fair value through the current profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	426,434.87	388,694.02	-37,740.85
Receivables financing			
Advances to suppliers			
Other receivables	458,242.73	437,169.79	-21,072.94
Including: Interest receivable			
Dividend receivable			

Item	December 31, 2018	January 1, 2019	Adjustment
Inventories	221,390.19	221,390.19	
Assets held for sale			
Non-current assets maturing within one year			
Other current assets	1,846,219.79	1,846,219.79	
Total current assets	17,816,343.31	17,757,529.52	-58,813.79
Non-current assets:			
Lending investments			
Available-for-sale financial assets			
Other lending investments			
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	1,000,000.00	1,000,000.00	
Other equity instruments investment			
Other non-current financial assets			
Investment properties	8,384,480.43	8,384,480.43	
Fixed assets	36,497,869.65	36,497,869.65	
Construction in progress			
Productive biological assets			
Oil and gas assets			
Intangible assets	22,205,249.04	22,205,249.04	
Development expenditures			
Goodwill			
Long-term deferred expenses	2,792,876.07	2,792,876.07	
Deferred income tax assets			
Other non-current assets			
Total non-current assets	70,880,475.19	70,880,475.19	
Total assets	88,696,818.50	88,638,004.71	-58,813.79

Item	December 31, 2018	January 1, 2019	Adjustment
Current liabilities:			
Short-term borrowings			
Trading financial liabilities			
Financial liabilities measured at fair value through the current profit or loss			
Derivative financial liabilities			
Notes payable			
Accounts payable	1,607,835.81	1,607,835.81	
Advances from customers	1,291,293.05	1,291,293.05	
Contractual liability			
Employee compensation payable	2,841,262.35	2,841,262.35	
Taxes and surcharges payable	450,861.87	450,861.87	
Other payable	3,226,952.36	3,226,952.36	
Including: Interest payable			
Dividend payable			
Liabilities classified as held for sale			
Non-current liabilities maturing within one year			
Other current liabilities			
Total current liabilities	9,418,205.44	9,418,205.44	
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: preferred stock			
Perpetual bonds			
Lease liability			
Long-term payable			
Long-term employee compensation payable			

Item	December 31, 2018	January 1, 2019	Adjustment
Estimated liabilities	1,489,685.04	1,489,685.04	
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities	1,489,685.04	1,489,685.04	
Total liabilities	10,907,890.48	10,907,890.48	
Owners' equity:			
Share capital	364,100,000.00	364,100,000.00	
Other equity instruments			
Including: preferred stock			
Perpetual bonds			
Capital reserves	54,142,850.01	54,142,850.01	
Less: treasury stock			
Other comprehensive income			
Special reserves			
Surplus reserves			
Undistributed profit	-340,453,921.99	-340,453,921.99	
Total owners' equity	77,788,928.02	77,788,928.02	
Total liabilities and owners' equity	88,696,818.50	88,696,818.50	

Explanation on adjustment: nil

(4) Explanation of the retrospective adjustment on comparative data in the prior period while implemented new financial instruments standards or new leasing standards for the first time since 2019

Applicable Not applicable

45. Other

VI. Taxation

1. Major tax types and tax rates applicable to the Company

Taxes	Basis for tax assessment	Tax rate
Value added tax (VAT)	Output VAT is calculated based on taxable sales revenue and service	5%, 6%, 10%, 9%,

Taxes	Basis for tax assessment	Tax rate
	revenue calculated in accordance with tax laws and VAT payable or taxable sales revenue shall be the difference after deducting the input VAT deductible in the same period	16%, 13%
Urban maintenance and construction tax	Levied based on VAT payable	7%
Enterprise income tax	Levied based on the taxable income	25%, 20%
Education surtax	Levied based on VAT payable	3%
Local education surtax	Levied based on VAT payable	2%
Housing property tax	Remaining value after deducting 30% from the original value of the house (including the occupied land price), and rent revenue	1.2%, 12%
Land use tax	Land area	RMB 18 / m ²

Disclose reasons for different taxpaying body: Nil

2. Tax preference

3. Other

VII. Notes to the main items of the financial statements

1. Monetary funds

Item	In RMB/CNY	
	Ending balance	Beginning balance
Cash on hand	302,077.12	347,782.65
Bank deposits	7,120,862.77	15,016,572.65
Total	7,422,939.89	15,364,355.30

Other explanation: nil

Remark: there are no amounts restricted for use due to mortgage or freeze, deposited in overseas institutions, and having potential risk in recovery.

2. Trading securities: nil

3. Derivative financial assets: nil

4. Note receivable: nil

5. Accounts receivable

(1) Disclosure of account receivables by category

In RMB/CNY

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Including:										
Accounts receivable with provision for bad debts based on portfolios	420,849.75	100.00%	109,765.83	26.08%	311,083.92	500,510.47	100.00%	464,175.72	92.74%	388,694.02
Including:										
Total	420,849.75	100.00%	109,765.83	26.08%	311,083.92	500,510.47	100.00%	464,175.72	92.74%	388,694.02



Provision for bad debts based on single item: nil

Provision for bad debt based on portfolios:

In RMB/CNY

Item	Ending balance		
	Book balance	Provision for bad debt	Provision ratio
Within 1 year	327,780.95	16,697.03	5.09%
1-2 years	2,259.00	2,259.00	100.00%
2-3 years	566.00	566.00	100.00%
3-4 years	785.00	785.00	100.00%
4-5 years	18,633.00	18,633.00	100.00%
Over 5 years	70,825.80	70,825.80	100.00%
Total	420,849.75	109,765.83	--

A description of the basis for determining the portfolio: nil

Provision for bad debt by portfolio: nil

If the bad debt provision of an account receivable is withdrawn according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision:

Applicable Not applicable

Released by account age

In RMB/CNY

Account age	Book balance
Within 1 year (inclusive)	327,780.95
1-2 years	2,259.00
2-3 years	566.00
Over 3 years	90,243.80
3-4 years	785.00
4-5 years	18,633.00
Over 5 years	70,825.80
Total	420,849.75

(2) Provision, reversal or recovery of provision for bad debts in the period

Provision for bad debt in the period

In RMB/CNY



Category	Beginning balance	Amount changed in the period			Ending balance
		Accrual	Reversal or switch-back	Charge off	
Account receivable	111,816.45	-2,050.62			109,765.83
Total	111,816.45	-2,050.62			109,765.83

Including the major amount that reversal or switch-back in the period: nil

(3)Account receivable actually charge off in the period: nil

(4)Top five accounts receivable in terms of ending balance collected by the debtor

In RMB/CNY

Name of entity	Ending balance of account receivable	Proportion in the total accounts receivable at period-end	Ending balance of the bad debt provision
Tianjin Watermelon Tourism Limited Liability Company	70,016.42	16.64%	3,566.61
Shanghai Hecheng International Travel Service Co., Ltd.	69,853.31	16.60%	3,558.30
Beijing Tongcheng Huading International Travel Service Co., Ltd. Suzhou Branch	64,033.50	15.22%	3,261.84
ANEX TOUR	52,843.68	12.56%	2,691.84
YEEPAY	48,696.04	11.57%	2,480.56
Total	305,442.95	72.59%	

(5)Account receivable that are terminated due to financial assets transfer : nil

(6)Assets and liabilities resulted by account receivable transfer and continues involvement : nil

6. Receivable financing: nil

Variation and fair value changes on receivable financing in the period:

Applicable Not applicable

If the provision for impairment of receivable financing is withdrawn according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of impairment provision:

Applicable Not applicable

Other description:

**7. Advance payment: nil****8. Other receivable**

In RMB/CNY

Item	Ending balance	Beginning balance
Other receivable	571,744.52	437,169.79
Total	571,744.52	437,169.79

(1)Interest receivable: Nil**(2)Dividend receivable: Nil****(3)Other account receivables****1)Other account receivable disclosed by nature**

In RMB/CNY

Nature	Ending book balance	Opening book balance
Utility bills	76,534.42	185,368.69
Petty cash	394,313.63	133,411.23
Attorney fee		77,534.25
Social insurance and housing provident funds	61,826.29	63,264.56
Deposit	600.00	600.00
Litigation fee	68,562.00	
Total	601,836.34	460,178.73

2)Provision for bad debt:

In RMB/CNY

Provision for bad debt	First stage	Second stage	Third stage	Total
	Expected credit loss in next 12 months	Expected credit loss for the whole duration (no credit impairment)	Expected credit loss for the whole duration (credit impairment has occurred)	
Balance as at 1 Jan. 2019	23,008.94			23,008.94
Balance as at January 1. 2019 in current period	—	—	—	—
Provision in current period	7,082.88			7,082.88



Balance as at 31 Dec. 2019	30,091.82		30,091.82
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Change of the book balance for major amount changed in loss provision

√ Applicable □ Not applicable

Book balance	First stage	Second stage	Third stage	Total
	Expected credit loss in next 12 months	Expected credit loss for the whole duration (no credit impairment)	Expected credit loss for the whole duration (credit impairment has occurred)	
Balance at period-begin	460,178.73			460,178.73
Balance at period-begin in current period	460,178.73			460,178.73
--Transfer in second stage				
--Transfer in third stage				
--Reverse to second stage				
--Reverse to first stage				
Increase in current period	5,012,978.40			5,012,978.40
Directly write down in current period	4,871,320.79			4,871,320.79
Derecognition in current period				
Other changes				
Ending balance	601,836.34			601,836.34

Released by account age

In RMB/CNY

Account age	Book balance
Within 1 year (inclusive)	599,600.34
Over 3 years	2,236.00
Over 5 years	2,236.00
Total	601,836.34

3) Provision, reversal or recovery of provision for bad debts in the period

Provision for bad debt in the period

In RMB/CNY

Category	Beginning balance	Amount changed in the period			Ending balance
		Accrual	Reversal or switch-back	Write-off	
Other receivables	23,008.94	7,082.88			30,091.82



Total	23,008.94	7,082.88			30,091.82
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Including major amount reversal or switch-back in the period : nil

4)Other receivables actually charge off in the period : nil

5)Top five other accounts receivable in terms of ending balance collected by the debtor

In RMB/CNY

Name of entity	Nature	Ending balance	Account age	Proportion in total amount of other accounts receivable at period-end	Ending balance of the bad debt provision
Chen Shaoxue	Petty cash	98,500.00		16.37%	4,925.00
Guo Yubo	Petty cash	94,366.52		15.68%	4,718.33
Chen Gang	Petty cash	78,996.70		13.13%	3,949.84
Sanya suburban people's court	Litigation fee	68,562.00		11.39%	3,428.10
Bright moon pavilion music restaurant	Utility bills	67,134.84		11.15%	3,356.74
Total	--	407,560.06	--	67.72%	20,378.01

6)Account receivables related to government subsidies : nil

7)Other receivable for termination of confirmation due to the transfer of financial assets : nil

8)The amount of assets and liabilities that are transferred other receivable and continued to be involved : nil

9. Inventories

Whether the new revenue standards been implemented

Yes No

(1)Classification of inventories

In RMB/CNY

Item	Ending balance	Beginning balance
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	Book balance	Provision for inventory depreciation or provision for impairment of contract performance costs	Book value	Book balance	Provision for inventory depreciation or provision for impairment of contract performance costs	Book value
Raw materials	843,199.89	615,322.99	227,876.90	870,043.52	725,731.58	144,311.94
Commodity stocks	22,771.38	11,102.41	11,668.97	22,771.38	11,102.41	11,668.97
Food and drinks				43,935.10		43,935.10
Fuel	14,711.32		14,711.32	21,474.18		21,474.18
Total	880,682.59	626,425.40	254,257.19	958,224.18	736,833.99	221,390.19

(2) Provision for inventory depreciation or provision for impairment of contract performance costs

In RMB/CNY

Item	Beginning balance	Current increase		Current decrease		Ending balance
		Accrual	Other	Reversal or write-off	Other	
Raw materials	725,731.58			110,408.59		615,322.99
Commodity stocks	11,102.41					11,102.41
Total	736,833.99			110,408.59		626,425.40



(3)Explanation on capitalization of borrowing costs at ending balance of inventory : nil

(4)Explanation on amortized amount of contract performance cost in current period: nil

10. Contract assets: nil

11. Assets held for sale : nil

12. Non-current assets maturing within one year : nil

13. Other current assets

Whether the new revenue standards been implemented

Yes No

In RMB/CNY

Item	Ending balance	Beginning balance
Prepaid enterprise income tax	1,702,702.80	1,702,702.80
Prepaid individual income tax	4,778.06	
Input tax to be deducted	808,143.62	103,556.98
Prepaid for newspaper, insurance, etc.	56,413.98	39,960.01
Others	2,404.11	
Total	2,574,442.57	1,846,219.79

Other description: nil

14. Creditors investment: nil

15. Other creditors investment: nil

16. Long-term account receivable: nil

17. Long-term equity investment: nil

18. Investment in other equity instrument: nil

19. Other non-current financial assets: nil

20. Investment properties

(1)Investment properties measured at cost

In RMB/CNY



Item	Buildings and constructions	Land use rights	Construction in process	Total
I. Original book value				
1.Beginning balance	18,856,504.44	5,662,740.59		24,519,245.03
2.Current increase				
(1)Purchase				
(2)Transfer from inventories/fixed assets/construction in progress				
(3)Increase from business combinations				
3.Current decrease				
(1)Disposal				
(2)Other transfer-out				
4.Ending balance	18,856,504.44	5,662,740.59		24,519,245.03
II. Accumulated depreciation and accumulated amortization				
1.Beginning balance	10,607,583.54	2,219,726.45		12,827,309.99
2.Current increase	418,183.56	56,340.00		474,523.56
(1)Provision or amortization	418,183.56	56,340.00		474,523.56
3.Current decrease				
(1)Disposal				
(2)Other transfer-out				
4.Ending balance	11,025,767.10	2,276,066.45		13,301,833.55
III. Provision for impairment				
1.Beginning balance	1,404,400.47	1,903,054.14		3,307,454.61
2.Current increase				
(1) Provision				
3. Current decrease				
(1)Disposal				
(2)Other transfer-out				
4.Ending balance	1,404,400.47	1,903,054.14		3,307,454.61
IV. Book value				
1.Ending book value	6,426,336.87	1,483,620.00		7,909,956.87
2.Opening book value	6,844,520.43	1,539,960.00		8,384,480.43

**(2) Investment real estate measured by fair value**

□ Applicable √ Not applicable

(3) Investment real estate without property certification held: nil**21. Fixed assets**

In RMB/CNY

Item	Ending balance	Beginning balance
Fixed assets	35,075,195.98	36,497,869.65
Disposal of fixed assets	0.00	0.00
Total	35,075,195.98	36,497,869.65

(1) Fixed assets

In RMB/CNY

Item	Machinery equipment	Total
I. Original book value:		
1.Beginning balance	11,033,550.54	154,759,107.50
2.Current increase		1,664,849.56
(1) Purchase		1,664,849.56
(2) Transfer from construction in progress		
(3) Increase from business combinations		
3.Current decrease	1,420,474.00	2,499,240.22
(1) Disposal or write-off	1,420,474.00	2,499,240.22
4.Ending balance	9,613,076.54	153,924,716.84
II. Accumulated amortization		
1.Beginning balance	7,970,060.88	85,220,072.49
2.Current increase	287,287.36	3,022,328.03
(1) Provision	287,287.36	3,022,328.03
3.Current decrease	1,008,698.30	2,030,821.62
(1) Disposal or write-off	1,008,698.30	2,030,821.62



4. Ending balance	7,248,649.94	86,211,578.90
III. Provision for impairment		
1. Beginning balance	1,968,377.19	33,041,165.36
2. Current increase		
(1) Provision		
3. Current decrease	403,223.40	403,223.40
(1) Disposal or write-off	403,223.40	403,223.40
4. Ending balance	1,565,153.79	32,637,941.96
IV. Book value		
1. Ending book value	799,272.81	35,075,195.98
2. Opening book value	1,095,112.47	36,497,869.65

(2) Temporarily idle fixed assets: nil

(3) Fixed assets acquired by financing lease: nil

(4) Fixed assets acquired by operating lease: nil

(5) Certificate of title un-completed: nil

(6) Disposal of fixed assets: nil

22. Construction in process

In RMB/CNY

Item	Ending balance	Beginning balance
Construction in process	488,522.10	
Total	488,522.10	

(1) Construction in process

In RMB/CNY

Item	Ending balance			Beginning balance		
	Book balance	Provision	Book value	Book balance	Provision	Book value



Staff dormitory renovation project	348,873.78		348,873.78			
Central air-conditioning system and hot water system comprehensive renovation	139,648.32		139,648.32			
Total	488,522.10		488,522.10			

(2)Change of important projects under construction in the year of 2019

In RMB/CNY

Project name	Budget	Beginning balance	Current increase	Amount transferred into fixed assets in 2019	Other amount reduction in 2019	Ending balance	Proportion of accumulative project investments in the budget	Project progress	Accumulated capitalization amount of interest	Including: capitalization amount of the interest in 2019	Capitalization rate of the interest in 2019(%)	Sources of funds
Building A renovation project	9,000,000.00		9,340,214.88		9,340,214.88		100.00%	100%				Other
Roof waterproofing project			370,091.75		370,091.75			100%				Other
Pavement modification project			450,174.76		450,174.76			100%				Other
Staff dormitory renovation project			348,873.78			348,873.78						Other
Central air-conditioning system and hot water system comprehensive renovation			139,648.32			139,648.32						Other
Total	9,000,000.00		10,649,003.49		10,160,481.39	488,522.10	--	--				--

**(3)Provision for impairment of construction in progress in 2019: nil****(4)Engineering material: nil****23. Productive biological asset****(1)Measured by cost**

Applicable Not applicable

(2)Measured by fair value

Applicable Not applicable

24. Oil and gas assets

Applicable Not applicable

25. Right-of-use assets : nil**26. Intangible assets****(1)Intangible assets**

In RMB/CNY

Item	Land use rights	Patent right	Non-patents technology	Total
I. Original book value				
1.Beginning balance	81,653,137.15			81,653,137.15
2.Current increase				
(1) Purchase				
(2)Internal research and development				
(3)Increase from business combinations				
3.Current decrease				
(1)Disposal				
4.Ending balance	81,653,137.15			81,653,137.15
II. Accumulated amortization				



1.Beginning balance	32,007,051.27			32,007,051.27
2.Current increase	812,387.16			812,387.16
(1) Provision	812,387.16			812,387.16
3.Current decrease				
(1)Disposal				
4.Ending balance	32,819,438.43			32,819,438.43
III. Provision for impairment				
1.Beginning balance	27,440,836.84			27,440,836.84
2.Current increase				
(1) Provision				
3.Current decrease				
(1)Disposal				
4.Ending balance	27,440,836.84			27,440,836.84
IV. Book value				
1.Ending book value	21,392,861.88			21,392,861.88
2.Opening book value	22,205,249.04			22,205,249.04

Ratio of the intangible assets from internal R&D in balance of intangible assets at period-end

(2)Land use rights without certificate of ownership: nil

27. Development expenditure: nil

28. Goodwill: nil

29. Long-term deferred expenses

In RMB/CNY

Item	Beginning balance	Increase in 2019	Amortization in 2019	Amount of other decreases	Ending balance
Hotel exterior decoration	486,974.57		486,974.57		



Reconstruction of fire-fighting stairway	45,695.20		17,135.64		28,559.56
Swimming pool reconstruction	224,969.28		59,991.80		164,977.48
Reconstruction of guest rooms in Building C	721,297.31		192,345.93		528,951.38
Villa reconstruction	1,313,939.71		350,383.87		963,555.84
Building A renovation project		9,340,214.88	311,340.50		9,028,874.38
Pavement modification project		450,174.76	15,005.82		435,168.94
Roof waterproofing project		370,091.75			370,091.75
Total	2,792,876.07	10,160,481.39	1,433,178.13		11,520,179.33

Other description: nil

30. Deferred income tax assets and deferred income tax liabilities: nil

31. Other non-current assets : nil

Whether the new revenue standards been implemented

Yes No

32. Short-term loans: nil

33. Trading financial liability: nil

34. Derivative financial liability: nil

35. Notes payable: nil

36. Accounts payable

(1)Presentation of accounts payable

In RMB/CNY



Item	Ending balance	Beginning balance
Payment for purchase	947,770.85	687,690.30
Accounts payable provisionally estimated	191,232.86	534,359.35
Service charges	84,838.93	155,368.88
Payment for projects	14,274.10	134,274.10
Elevator maintenance fee	7,200.00	31,670.00
Advertisement fees		31,195.28
Consignment sales	1,093.00	22,335.90
Others	4,000.01	10,942.00
Total	1,250,409.75	1,607,835.81

(2) Significant accounts payable with aging over one year

In RMB/CNY

Item	Ending balance	Reasons for repayment failure or carry-forward
Estimated accounts payable	191,232.86	Unsettlement
Total	191,232.86	--

Other description: nil

37. Advance from customers

Whether the new revenue standards been implemented

√Yes □No

(1) Presentation of advances from customers

In RMB/CNY

Item	Ending balance	Beginning balance
Room and meal fees	786,715.42	1,291,293.05
Total	786,715.42	1,291,293.05

(2) Significant advances from customers with aging over one year

In RMB/CNY



Item	Ending balance	Reasons for repayment failure or carry-forward
Hainan Xiangyuan Tourism Development Co., Ltd.	35,183.00	Unsettlement
PEGAS Zheng Qingbo	32,243.02	Unsettlement
Hainan Qiongzong Ecological Investment Guarantee Co. LTD	21,950.00	Unsettlement
Ren Kaiyu	9,774.00	Unsettlement
Hainan Chenda International Travel Service Co. LTD	8,779.00	Unsettlement
Total	107,929.02	--

38. Contractual liability: nil**39. Employee compensation payable****(1) Presentation of employee compensation payable**

In RMB/CNY

Item	Beginning balance	Increase in 2019	Decrease in 2019	Ending balance
I. Short-term compensation	2,841,262.35	11,754,057.28	12,042,323.26	2,552,996.37
II. Post-employment benefits - defined contribution plans		991,111.55	991,111.55	
Total	2,841,262.35	12,745,168.83	13,033,434.81	2,552,996.37

(2) Presentation of short-term compensation

In RMB/CNY

Item	Beginning balance	Increase in 2019	Decrease in 2019	Ending balance
1. Salaries, bonuses, allowances and subsidies	1,755,849.64	9,342,786.75	9,664,181.80	1,434,454.59
2. Employee welfare expenses		1,421,144.13	1,421,144.13	
3. Social insurance premiums		488,276.87	488,276.87	
Including: medical insurance premiums		458,292.70	458,292.70	



Work-related injury insurance premiums		8,711.51	8,711.51	
Maternity insurance premiums		21,272.66	21,272.66	
4. Housing provident funds		174,852.00	172,598.00	2,254.00
5. Labor union expenditures and employee education funds	1,085,412.71	326,997.53	296,122.46	1,116,287.78
Total	2,841,262.35	11,754,057.28	12,042,323.26	2,552,996.37

(3) Presentation of defined contribution plans

In RMB/CNY

Item	Beginning balance	Increase in 2019	Decrease in 2019	Ending balance
1. Basic endowment insurance premiums		962,911.22	962,911.22	
2. Unemployment insurance premiums		28,200.33	28,200.33	
Total		991,111.55	991,111.55	

Other description: nil

40. Taxes payable

In RMB/CNY

Item	Ending balance	Beginning balance
Value added tax (VAT)	135,982.62	146,863.56
Corporate income tax	47.80	
Individual income tax	18,333.52	-0.02
Urban maintenance and construction tax	902.73	761.67
Housing property tax	97,050.89	194,101.69
Land use tax	54,295.47	108,590.92
Educational surtax	386.88	326.42
Local education surtax	257.94	217.63
Total	307,257.85	450,861.87

Other description: nil

**41. Other payable**

In RMB/CNY

Item	Ending balance	Beginning balance
Other payable	2,647,515.86	2,727,483.66
Total	2,647,515.86	2,727,483.66

(1) Interest payable: nil**(2) Dividend payable: nil****(3) Other payable****1) Presentation of other payable by nature**

In RMB/CNY

Item	Ending balance	Beginning balance
Employee dormitory rental fees, etc.	1,219,075.78	971,723.12
Margin	764,598.49	890,958.75
Audit fee		285,003.21
Quality guarantee deposit for projects	512,474.00	190,344.00
Employee deposit	86,520.00	165,700.90
Project funds		162,569.78
Funds collected and remitted	41,160.31	36,408.47
Individual current amounts		1,364.00
Electric charges withheld	23,687.28	23,411.43
Total	2,647,515.86	2,727,483.66

2) Other significant payable with aging over one year

In RMB/CNY

Item	Ending balance	Reasons for repayment failure or carry-forward
Yangpu Jinyu Industrial Co., Ltd.	627,000.00	Unsettlement
Total	627,000.00	--

Other description: nil

**42. Liability held for sale: nil****43. Non-current liability due within one year : nil****44. Other current liability: nil**

Whether the new revenue standards been implemented

√Yes □No

45. Long-term loans : nil**46. Bond payable: nil****47. Lease liability: nil****48. Long-term account payable: nil****49. Long-term employee payable: nil****50. Estimated liabilities**

Whether the new revenue standards been implemented

√Yes □No

In RMB/CNY

Item	Ending balance	Beginning balance	Reasons
Provisions for arrears of electricity tariffs	1,489,685.04	1,489,685.04	Arrears of electricity tariffs
Total	1,489,685.04	1,489,685.04	--

Other description: including important assumptions and estimation for the major accrual liability : nil

51. Deferred income: nil**52. Other non-current liability: nil**

Whether the new revenue standards been implemented

√Yes □No

53. Share capital

In RMB/CNY

	Beginning	Changes in 2019 ("+" for increase and "-" for decrease)	Ending balance



	balance	Issuance of new shares	Share donation	Conversion of reserves into share	Others	Sub-total	
Total shares	364,100,000.00					1	364,100,000.00

Other description: nil

54. Other equity instrument

(1)General information of other financial instruments as preferred stock, perpetual debts issued at end of the period : nil

(2)Statement of changes for other financial instruments as preferred stock, perpetual debts issued at end of the period: nil

55. Capital reserves

In RMB/CNY

Item	Beginning balance	Increase in 2019	Decrease in 2019	Ending balance
Other capital reserves	54,142,850.01			54,142,850.01
Total	54,142,850.01			54,142,850.01

Other description:including changes in the period and reasons: nil

56. Treasury stock: nil

57. Other consolidated income: nil

58. Reasonable reserve : nil

59. Surplus reserves : nil

60.Undistributed profit

In RMB/CNY

Item	Year 2019	Year 2018
Undistributed profit as at the end of the previous period before adjustment	-340,454,153.72	-341,107,435.91



Total adjustment to undistributed profit as at the beginning of the period ("+" for increase and "-" for decrease)	-58,813.79	
Undistributed profit as at the beginning of the period after adjustment	-340,512,967.51	-341,107,435.91
Plus: net profit attributable to owners of the parent company in the current period	756,721.46	653,282.19
Undistributed profit as at the end of the period	-339,756,246.05	-340,454,153.72

Details about adjusting the retained profits at the beginning of the period:

- 1) The retroactive adjustments to Accounting Standards for Business Enterprises and its relevant new regulations affect the retained profits at the beginning of the period amounting to 0 Yuan.
- 2) The changes in accounting policies affect the retained profits at the beginning of the period amounting to -58,813.79 Yuan.
- 3) The major accounting error correction affects the retained profits at the beginning of the period amounting to 0 Yuan
- 4) Merge scope changes caused by the same control affect the retained profits at the beginning of the period amounting to 0 Yuan.
- 5) Other adjustments affect the retained profits at the beginning of the period amounting to 0 Yuan

61. Operating revenue and operating cost

In RMB/CNY

Item	Year 2019		Year 2018	
	Revenue	Cost	Revenue	Cost
Primary business	22,782,376.82	10,608,243.38	26,442,049.47	11,280,674.54
Other business	3,153,028.62	474,523.56	3,073,542.86	474,523.56
Total	25,935,405.44	11,082,766.94	29,515,592.33	11,755,198.10

Whether the new revenue standards been implemented

Yes No

Revenue:

In RMB/CNY

Contract type	1# Division	2# Division		Total
Product type	22,782,376.82			22,782,376.82
Including:				
Room income	20,039,795.13			20,039,795.13
Classify by operation area	22,782,376.82			22,782,376.82
Including:				



Hainan	22,782,376.82			22,782,376.82
Type of market or clients	22,782,376.82			22,782,376.82
Including:				
Tourism and catering services	22,782,376.82			22,782,376.82
Including:				
Including:				
Including:				
Total	22,782,376.82			22,782,376.82

Information relating to performance obligation: nil

Information relating to the transaction price assigned to the remaining performance obligation:

The amount of revenue corresponding to performance obligation that have been signed but have not been fulfilled or have not been fulfilled at the end of the period was 0.00 Yuan, including 0.00 Yuan is expected to be recognized as revenue in subsequent years, 0.00 Yuan is expected to be recognized as revenue in subsequent years, 0.00 Yuan is expected to be recognized as revenue in subsequent years.

Other description: nil

62. Taxes and surcharges

In RMB/CNY

Item	Year 2019	Year 2018
Urban construction tax	37,357.47	42,817.66
Educational surtax	16,010.36	18,350.43
Housing property tax	431,174.84	862,349.51
Land use tax	217,181.88	434,363.69
Vehicle and vessel use tax	5,220.00	3,669.06
Stamp tax	4,905.10	851.70
Disabled security funds		19,245.72
Local education surtax	10,673.55	12,233.60
Total	722,523.20	1,393,881.37

Other description: nil

63. Selling expenses

In RMB/CNY



Item	Year 2019	Year 2018
Employee salaries	2,987,665.20	3,136,915.23
Social insurance premiums	525,922.93	590,896.77
Depreciation	520,034.90	519,700.72
Employee benefits	387,737.00	393,492.00
Operating supplies	348,124.41	161,602.46
Repair charges	270,673.81	246,435.46
Utility bills	151,981.73	173,016.68
Labor union expenditures and employee education funds	109,163.37	110,092.08
Amortization of low cost consumables	90,344.35	59,779.46
Housing provident funds	57,780.00	59,985.00
Other expenses	157,046.77	167,164.09
Total	5,606,474.47	5,619,079.95

Other description: nil

64. Administrative expenses

In RMB/CNY

Item	Year 2019	Year 2018
Salaries and welfare	5,540,972.55	5,724,279.10
Amortization of intangible assets	812,387.16	812,387.16
Social labor insurance premium	606,896.19	670,247.63
Agency fee	452,000.00	468,000.00
Depreciation	325,025.00	306,741.99
Entertainment expenses	368,552.41	680,606.62
Attorney fee	282,674.25	74,465.75
Travel expenses	279,944.13	244,926.48
Announcing fee	239,590.00	280,218.00



Funds for labor union and staff education	158,976.29	173,100.15
Listing fee	127,370.00	110,000.00
Repair charge	127,251.56	78,752.78
Membership expenses of the board of directors and the board of supervisors	88,527.24	30,556.00
Housing provident funds	79,602.00	72,005.00
Other expenses	282,644.08	406,735.31
Total	9,772,412.86	10,133,021.97

Other description: nil

65. R&D expenses: nil

66. Financial expenses

In RMB/CNY

Item	Year 2019	Year 2018
Interest expenses		
Less: interest income	210,556.05	232,899.41
Profit or loss on exchange		
Handling charges	34,795.67	44,620.81
Total	-175,760.38	-188,278.60

Other description: nil

67. Other income

In RMB/CNY

Sources of other income	Year 2019	Year 2018
Government grants	200,000.00	
Input tax gross deduction	92,643.89	
Total	292,643.89	

**68. Investment income: nil****69. Net open hedging benefits: nil****70. Gains from fair value changes: nil****71. Credit impairment loss**

In RMB/CNY

Item	Year 2019	Year 2018
Other receivable bad debt loss	-7,082.88	
Account receivable bad debt loss	2,050.62	
Total	-5,032.26	

Other description: nil

72. Asset impairment loss

Whether the new revenue standards been implemented

√Yes □No

In RMB/CNY

Item	Year 2019	Year 2018
I.Losses from bad debts		13,656.55
Total		13,656.55

Other description: nil

73. Income from assets disposal: nil**74. Non-operating revenue**

In RMB/CNY

Item	Year 2019	Year 2018	Amount included in the current non-recurring profit or loss
Gain or loss of rejection and damage of non-current assets	15,238.09		15,238.09
Debt write-off income	958,979.88		958,979.88
Indemnity income	572,245.29		572,245.29
Others	8,792.66	273.00	8,792.66



Total	1,555,255.92	273.00	1,555,255.92
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Government subsidies reckoned into current gains/losses: nil

75. Non-operating expenses

In RMB/CNY

Item	Year 2019	Year 2018	Amount included in the current non-recurring profit or loss
Losses from the damage and scrapping of non-current assets	13,086.64	29,691.26	13,086.64
Overdue fine		133,645.64	
Total	13,086.64	163,336.90	

Other description: nil

76. Income tax expenses

(1) Income tax expenses statement

In RMB/CNY

Item	Year 2019	Year 2018
Current income tax expense	47.80	
Total	47.80	

(2) Accounting profit and income tax expense adjustment process

In RMB/CNY

Item	Year 2019
Total profits	756,769.26
Income tax expense at the statutory [or applicable] rate	189,192.32
Impact of subsidiaries subject to different tax rate	-191.20
Impact of non-deductible costs, expenses and losses	89,099.10
The effect of deductible losses on the use of previously unrecognized deferred income tax assets	-278,052.42
Income tax expense	47.80



Other description: nil

77. Other comprehensive income

See Note

78. Notes to items of statement of cash flows

(1) Cash received from other operating activities

In RMB/CNY

Item	Year 2019	Year 2018
Lease, water, electrical and gas fees collected	1,360,510.37	1,406,063.94
Interest income	208,151.94	232,899.41
Deposits	200,000.00	25,500.00
Loan repayment by employees	130,970.00	252,257.44
Support fund for market development of inbound tourism	200,000.00	
Others	140,726.42	49,550.50
Total	2,240,358.73	1,966,271.29

Explanation: nil

(2) Cash paid for other operating activities

In RMB/CNY

Item	Year 2019	Year 2018
Social intercourse fees	305,994.41	713,655.45
Intermediary service charges	452,000.00	400,000.00
Announcement fee and related fee	179,590.00	268,218.00
Expenses for business trips	251,447.13	235,245.87
Attorney fee	205,140.00	150,000.00
Posts costs	35,650.53	42,387.66
Repair charges	351,092.37	316,876.61



Promotion fee	48,977.00	94,988.06
Costs of listing on the Shenzhen Stock Exchange	80,000.00	80,000.00
Fuel, water, electricity and gas charges	232,582.93	277,581.11
Office expenses	16,380.15	17,609.79
Financial expenses	34,795.67	44,620.81
Property insurance premiums	40,282.31	29,191.53
Membership expenses of the board of directors and the board of supervisors	30,010.00	30,556.00
Employee loan	403,763.71	
Deposits	160,000.00	
Other expenses	464,884.96	433,472.47
Total	3,292,591.17	3,134,403.36

Explanation: nil

(3) Cash received from other investment activities: nil

(4) Cash paid for other investing activities: nil

(5) Cash received from other financing activities: nil

(6) Cash paid for other financing activities: nil

79. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

In RMB/CNY

Supplementary information	Year 2019	Year 2018
1. Net profit adjusted to cash flows from operating activities	--	--
Net profit	756,721.46	653,282.19
Plus: Provision for impairment of assets	5,032.26	-13,656.55
Depreciation of fixed assets, depreciation and depletion of oil and gas assets and depreciation of productive biological assets	3,440,511.59	3,405,454.96
Amortization of intangible assets	868,727.16	868,727.16



Amortization of long-term deferred expenses	1,433,178.13	1,211,883.90
Losses from disposal of fixed assets, intangible assets and other long-term assets ("- " for gains)		29,172.48
Losses from write-off of fixed assets ("- " for gains)	-2,151.45	518.78
Decreases in inventories ("- " for increases)	77,541.59	15,064.92
Decreases in operating receivable ("- " for increases)	-492,057.74	23,845.11
Increases in operating payable ("- " for decreases)	-1,373,841.49	589,600.31
Net cash flow from operating activities	4,713,661.51	6,783,893.26
2. Significant investing and financing activities not involving cash receipts and payments:	--	--
3. Net changes in cash and cash equivalents:	--	--
Ending balance of cash	7,422,939.89	15,364,355.30
Less: beginning balance of cash	15,364,355.30	9,681,607.16
Net increase in cash and cash equivalents	-7,941,415.41	5,682,748.14

(2) Net cash payment for the acquisition of a subsidiary of the current period: nil

(3) Net cash received from the disposal of subsidiaries: nil

(4) Breakdowns of cash and cash equivalents

In RMB/CNY

Item	Ending balance	Beginning balance
I. Cash	7,422,939.89	15,364,355.30
Including: cash on hand	302,077.12	347,782.65
Unrestricted cash at bank	7,120,862.77	15,016,572.65
III. Balance of cash and cash equivalents at end of the period	7,422,939.89	15,364,355.30

Other description: nil

80. Notes for the statement of owners equity changes

Explain the items and adjusted amount which have adjusted in "Other" of last year's ending balance: nil

**81. Assets with ownership or use right restricted: nil****82. Item of foreign currency: nil****83. Hedging: nil****84. Government subsidy****(1).Government subsidy**

In RMB/CNY

Types	Amount	Presentation item	Amount entry in current gains/losses
Support funds for inbound tourism market development	200,000.00	Other income	200,000.00

(2)Refund of government subsidy Applicable Not applicable

Other description: nil

85.Other**VIII.Change of the consolidation scope****1.Business combination not under common control****(1)Business combination not under common control occurred in the period: nil****(2)Combination costs and goodwill: nil****(3) Identifiable assets/liabilities of the purchasee on the date of purchase: nil****(4) Gain/loss from the equity re-measured at fair value held before purchasing date: nil**

Enterprise combined step by step through multi-dealings and obtained controlling rights in the Period

 Yes No



(5)Explanation on combined consideration or the identifiable assets and liabilities' fair value of the purchased party on purchasing date or at the end of the current period of merger, which is impossible to determine in a reasonable way:nil

(6)Other description: nil

2.Business combination under common control

(1)Business combination under common control occurred in the period: nil

(2)Combined cost: nil

(3)Book value of the assets/liabilities from combined party at date of combination : nil

3. Counter purchase: nil

4. Disposal of subsidiaries

Losing controlling rights while dispose subsidiary on one-time

Yes No

Dispose subsidiary step by step through multi-dealings and losing controlling rights in the Period

Yes No

5. Changes of combination scope

Other reasons contributed the changes for combination scope (e.g. new subsidiary established, liquidate subsidiary etc.): nil

6. Other : nil

IX.Rights and interests in other entities

1. Equity in subsidiaries

(1)Structure of the enterprise group

Name of subsidiary	Principal place of business	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
				Direct	Indirect	



Hainan Wengao Tourist Resources Development Co., Ltd.	Sanya, Hainan	Block B, Main Building, Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd., No. 2, Yuhai Road, Jiyang District, Sanya City, Hainan Province	Leasing and commerca l service industries	100.00%		Newly establishe d
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An explanation for the shareholding ratio differing from the share of the voting rights in the subsidiaries:nil

The basis for holding half or below of the voting rights but still controlling the investee, and holding more than half of the voting rights but not controlling the investee:nil

The basis for important structured entities and controls which are included in the scope of consolidation:nil

The basis for determining the company as an agent or as a principal:nil

Other description: nil

(2) Major non-wholly-owned subsidiary: nil

(3) Main financial information of the major non-wholly-owned subsidiary: nil

(4) Major restriction on using the group's assets and paying off debts for the group: nil

(5) Financial and other supports provided to the structured entity that included in consolidate financial statement scope: nil

2. Changes in the owner's equity share of the subsidiary and the transaction is still controlled subsidiary:nil

3. Equity in arrangement of joint venture or associated enterprises: nil

4. Important common management: nil

5. Equity in structured entities not included in the consolidated financial statements: nil

6. Other:nil

X.Risks related to financial instruments

During its business operation, the Company faces various financial risks, including credit risks, market risks and liquidity risks. The Board of Directors of the Company takes full responsibilities for determining the risk management objects and policies and bearing the ultimate liabilities for that, however, the Board of Directors has authorized the management department of the Company to design and implement the process capable of ensuring the effective implementation of the risk management objects and policies. The Board of Directors reviews the effectiveness of the enforced procedures and the rationality of risk management objectives and policies by the reports submitted by the management department of the Company. The internal auditors of the Company also will audit the risk management policies and procedures, and report the relevant facts to the audit committee.



The overall objective of risk management of the Company is to prepare the risk management policies ensuring the risk under control as far as possibility without affecting the Company's business development goals.

1.Credit risk

Credit risk refers to a risk that one party to the financial instruments suffers financial losses due to the failure of the other party in performing the obligations. The Company mainly faces customer credit risks caused by sales on account. Before signing a new contract, the Company will understand and assess credit risks of the new customer. The Company rates the credit of existing customers and analyzes the aging of accounts receivable to ensure that the Company's overall credit risk is within the controllable range.

2.Market risk

Market risk associated with financial instruments refers to the risk that fair value or future cash flows of financial instruments fluctuate due to variations in market prices, and it includes exchange rate risk, interest rate risk and other price risks.

3.Liquidity risk

Liquidity risk refers to a risk that an enterprise suffers funds shortage in performing the obligations of settlement in cash or other financial assets. The policy of the Company is to ensure that there is sufficient cash for the payment of the matured debts. Liquidity risk is under centralized control of the financial department of the Company. The financial department monitors cash balance and readily realizable and marketable securities and makes rolling forecast on cash flows of the next 12 months to ensure that the Company has sufficient funds to repay debts in all cases of reasonable prediction.

**XI. Fair value disclosures**

1. Ending fair value of the assets and liabilities measured by fair value: nil

2. Recognized basis for the market price sustaining and non-persistent measured by fair value on first-order: nil

3. The qualitative and quantitative information for the valuation technique and critical parameter that sustaining and non-persistent measured by fair value on second-order: nil

4. The qualitative and quantitative information for the valuation technique and critical parameter that sustaining and non-persistent measured by fair value on third-order: nil

5. Sensitivity analysis of non-observable parameters and adjustment information between the opening book value and ending book value that sustaining measured by fair value on third-order: nil

6. If there are conversion between different orders that sustaining measured by fair value, explain the conversion cause and policy of determining the time point for conversion: nil

7. The valuation technical change and reasons occurred in the period: nil

8. The fair value of financial assets/liabilities that not measured under the fair value: nil

9. Other: nil

XII. Related parties and related party transactions**1. Parent company**

Name of the parent company	Registration place	Business nature	Registered capital	Shareholding ratio in the Company	Voting ratio in the Company
Luoniushan Co., Ltd.	Haikou	Planting and breeding industry	115115	17.55%	19.80%

Explanation:

As at December 31, 2019, Luoniushan Co., Ltd. (hereinafter referred to as "Luoniushan") and its wholly-owned subsidiary Hainan Ya'anju Property Services Co., Ltd. held a total of 72,092,000 A shares of the Company, accounting for 19.80 % of the Company's total share capital, so it is the Company's largest shareholder.

Ultimate controlling party of the Company is Luoniushan Co., Ltd.

Other description: nil

**2. Subsidiary of the Enterprise**

Found more in Notes

3. Joint venture and associated enterprise

Important joint venture and associated enterprise found more in the Notes.

Other joint venture or associated enterprise that have related party transaction with the Company occurred in the period, or occurred in previous period with balance resulted: nil

4. Other related party: nil**5.Related party transactions****(1)Related party transactions of purchasing and selling commodities, providing and receiving labor services: nil**

Sales of goods/provided labor service:

In RMB/CNY

Related party	Content of related-party transaction	Year 2019	Year 2018
Luoniushan Co., Ltd.	Room and meal fees	124,455.66	325,905.66

Explanation: nil

(2)Associated trusteeship management/contract and trusteeship/outsourcing: nil**(3)Related-party lease: nil****(4)Related-party guarantee: nil****(5)Related-party funds lending: nil****(6)Related-party asset transfer and debt restructuring: nil****(7)Key management personnel emoluments**

RMB'0,000

Item	Year 2019	Year 2018
Key management personnel emoluments	189.48	163.02

**(8)Other related transactions: nil****6.Receivables and payable of the related party****(1)Receivable**

In RMB/CNY

Item	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Account receivable	Luoniushan Co., Ltd.	3,246.00		13,153.00	

(2)Payable: nil**7. Related party's commitment**

Commitments

According to the requirements of the China Securities Regulatory Commission (hereinafter referred to as "CSRC") on the *Guidelines for the Supervision of Listed Companies No.4--Commitments of and Performance of Commitments by Actual Controllers, Shareholders, Related Parties, Acquirers of Listed Companies and Listed Companies* (Announcement of the China Securities Regulatory Commission [2013] No.55), on June 7, 2014, Luoniushan Co., Ltd.(hereinafter referred to as "Luoniushan") issued a *Letter regarding the Change of Luoniushan Co., Ltd.'s Commitment to Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.* to the Company, committing that, within three years from the date when the change of such commitment is reviewed and adopted at the Company's general meeting, Luoniushan will actively seek restructuring party who will conduct the asset restructuring on the Company. The above matters were reviewed and approved by the board of shareholders of the Company on June 27, 2014.

On June 23, 2017, Luoniushan issued a *Letter regarding the Change of Luoniushan Co., Ltd.'s Commitment Duration to Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.*, and extended the implementation period of the above restructuring commitment made by Luoniushan to the Company, that is, the deadline for the implementation period of the restructuring commitment was changed to December 27, 2017.

As of December 31, 2019, no further progress was made on the above-mentioned asset restructuring commitments.



8. Other: nil

XIII. Share-based payment

1. Share-based payment

Applicable Not applicable

2. Settled by equity

Applicable Not applicable

3. Settled by cash

Applicable Not applicable

4. Modification and termination of share-base payment: nil

5. Other: nil

XIV. Commitments and contingencies

1. Commitments

Commitments on balance sheet date

According to the requirements of the China Securities Regulatory Commission (hereinafter referred to as "CSRC") on the *Guidelines for the Supervision of Listed Companies No.4--Commitments of and Performance of Commitments by Actual Controllers, Shareholders, Related Parties, Acquirers of Listed Companies and Listed Companies* (Announcement of the China Securities Regulatory Commission [2013] No.55), on June 7, 2014, Luoniushan Co., Ltd.(hereinafter referred to as "Luoniushan") issued a *Letter regarding the Change of Luoniushan Co., Ltd.'s Commitment to Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.* to the Company, committing that, within three years from the date when the change of such commitment is reviewed and adopted at the Company's general meeting, Luoniushan will actively seek restructuring party who will conduct the asset restructuring on the Company. The above matters were reviewed and approved by the board of shareholders of the Company on June 27, 2014.

On June 23, 2017, Luoniushan issued a *Letter regarding the Change of Luoniushan Co., Ltd.'s Commitment Duration to Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.*, and extended the implementation period of the above restructuring commitment made by Luoniushan to the Company, that is, the deadline for the implementation period of the restructuring commitment was changed to December 27, 2017.



As of December 31, 2019, no further progress was made on the above-mentioned asset restructuring commitments.

2. Contingencies

(1) Major contingencies on balance sheet date

1) The Company owed the electricity bill to the Sanya Power Supply Bureau. On May 26, 2016, the Company received a lawyer letter from Hainan Yunfan Law Firm entrusted by Sanya Power Supply Bureau of Hainan Power Grid Co., Ltd. (hereinafter referred to as "Sanya Power Supply Bureau"), saying that Sanya Power Supply Bureau found, in verifying electricity consumption by South China Hotel, a subsidiary of the Company, that the current transformer (CT) installed in the distribution center metering counters in South China Hotel installed was inconsistent with the record in the marketing management system file of Sanya Power Supply Bureau, and the duration of the inconsistency was from July 2006 when South China Hotel changed its electricity consumption measuring device to April 2016. According to the statistics, electricity consumption of 10313373 KWH was measured in short, which was estimated to be valued at RMB 7,200,165.75 according to the electricity prices and surcharge rates in the years.

According to the *Legal Consultation Advice on Electricity Quantity (Electricity Charge) Claiming Dispute between South China Hotel and Sanya Power Supply Bureau* issued by Beijing Junhe (Haikou) Law Firm on December 20, 2016, as all electricity consumption metering devices are purchased, installed, sealed, opened and replaced by Sanya Power Supply Bureau Responsible, the short measurement of electricity charge from South China Hotel for many years was due to the fault of Sanya Power Supply Bureau, and was irrelevant to South China Hotel. Pursuant to Article 135 of the General Principles of Civil Law: "Except as otherwise stipulated by law, the limitation of action regarding applications to a people's court for protection of civil rights shall be two years., the Company accrued an amount of RMB 1,489,685.04 for the electricity charge for electricity quantity measured in short during two years from April 2014 to April 2016. As at December 31, 2019, no further progress was made on this matter.

2) The Company announced on June 3, 2019 that Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. (hereinafter referred to as "Dadonghai Group") had borrowed RMB 2.76 million and RMB 4.55 million from the Company on October 16, 1996 and December 26, 1996 respectively. The two loans totaled RMB 7.31 million and have not been repaid yet. The Company filed a lawsuit with the Suburban People's Court of Sanya, Hainan province (hereinafter referred to as the "court"), requesting the defendant Dadonghai group to repay the loan of RMB 7.31 million to the Company. The company has received the (2019) [Qiong0271 Minchu No.5185] *Notice of Acceptance of The Case* issued by the court. The case is still pending. This claim, the company has been in 2008 full write-off.

(2) For no major contingencies disclosed, explain reasons

The Company has no major contingencies should be disclosed



3. Other

XV. Post balance sheet events

1. Major non-adjustment events: nil

2. Profit distribution

In RMB/CNY

Profit or dividend plans to distributed	0.00
Profit or dividend announced to distributed after approval	0.00

3. Sales return: nil

4. Other post balance sheet events

1) On March 19, 2020, as resolved at the 8th meeting of the 9th board of directors of the Company, the Company does not intend to make profit distribution or convert capital reserve into share capital.

2) The outbreak of the novel coronavirus around China since in January 2020 has caused a significant impact on the hotel business operated by the Company. It has greatly affected the operating income and business performance of the Company since January 2020. Especially since February 2020, the daily occupancy rate of the Company's south China hotel is less than 10%. The extent of the subsequent impact will depend on the situation of epidemic prevention and control, duration and implementation of various control policies. The Company will continue to pay close attention to the development of the pneumonia epidemic, evaluate and actively respond to its impact on the Company's financial status, operating results and other aspects.

**XVI. Other significant events****1. Correction of accounting errors in previous periods****(1) Retroactive restatement method: nil****(2) Prospective application method : nil****2. Debt reorganization: nil****3. Assets exchange****(1) Non-monetary assets exchange: nil****(2) Other assets exchange : nil****4. Annuity plan : nil****5. Termination of operation: nil****6. Segment information: nil****7. Major trading and items shows influence on investors' decision-making: nil****8. Other**

As resolved at the 4th temporary meeting of the 9th board of directors of the Company and approved by South China Hotel *Instructions About Cleaning up Long-term Payable* (Qiong South Chinese [2019] No. 22) on 6th September 2019, the Company and South China Hotel checked for accounts payable for ages in more than five years cannot be paid being RMB 90668.11, deferred revenue being RMB 244479.06, other payable being RMB623832.71, and made clear after verification. Hainan Xiangrui Law Firm issued a *Legal Opinion on Limitation of Action for Partial Accounts Payable by Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.* The write-off of the debt generated non-operating income is RMB 958,979.88.

XVII. Notes to main items of financial statements of the parent company**1. Accounts receivable****(1) Disclosure of account receivables by category**

In RMB/CNY

Category	Ending balance	Beginning balance
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	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Ratio	Amount	Provision ratio		Amount	Ratio	Amount	Provision ratio	
Including:										
Accounts receivable with provision for bad debts based on portfolios	420,849.75	100.00%	109,765.83	26.08%	311,083.92	500,510.47	100.00%	111,816.45	22.34%	388,694.02
Including:										
Total	420,849.75	100.00%	109,765.83	26.08%	311,083.92	500,510.47	100.00%	111,816.45	22.34%	388,694.02

Accounts receivable with provision for bad debts made separately: nil

Provision for bad debt by portfolio:

In RMB/CNY

Name	Ending balance		
	Book balance	Provision for bad debt	Provision ratio
Provision for bad debt by portfolio	420,849.75	109,765.83	26.08%
Total	420,849.75	109,765.83	--

A description of the basis for determining the portfolio: nil

Provision for bad debt by portfolio: : nil

If the bad debt provision of an account receivable is withdrawn according to the general model of expected credit loss, please refer to the disclosure method of other receivables to disclose the relevant information of bad debt provision

Applicable Not applicable

Released by account age

In RMB/CNY

Account age	Book balance
Within 1 year (inclusive)	327,780.95
1 year to 2 years	2,259.00
2 years to 3 years	566.00
Over 3 years	90,243.80



3 years to 4 years	785.00
4 years to 5 years	18,633.00
Over 5 years	70,825.80
Total	420,849.75

(2) Provision, reversal or recovery of provision for bad debts in the period

Provision for bad debt in the period

In RMB/CNY

Category	Beginning balance	Amount changed in the period			Ending balance
		Accrual	Reversal or switch-back	Charge off	
Account receivable	111,816.45	-2,050.62			109,765.83
Total	111,816.45	-2,050.62			109,765.83

Including the major amount that reversal or switch-back in the period : nil

(3) Account receivable actually charge off in the period: nil**(4) Top five accounts receivable in terms of ending balance collected by the debtor**

In RMB/CNY

Name of entity	Ending balance of account receivable	Proportion in the total accounts receivable at period-end	Ending balance of the bad debt provision
Tianjin Watermelon Tourism Limited Liability Company	70,016.42	16.64%	3,566.61
Shanghai Hecheng International Travel Service Co., Ltd.	69,853.31	16.60%	3,558.30
Beijing Tongcheng Huading International Travel Service Co., Ltd. Suzhou Branch	64,033.50	15.22%	3,261.84
ANEX TOUR	52,843.68	12.56%	2,691.84
YEEPAY	48,696.04	11.57%	2,480.56
Total	305,442.95	72.59%	



(5)Account receivable that are terminated due to financial assets transfer : nil

(6)Assets and liabilities resulted by account receivable transfer and continues involvement : nil

2. Other account receivable

In RMB/CNY

Item	Ending balance	Beginning balance
Other account receivable	571,744.52	437,169.79
Total	571,744.52	437,169.79

(1)Interest receivable: nil

3)Provision for bad debt:

Applicable Not applicable

(2)Dividend receivable

1)Category: nil

2)Significant dividend receivable with over one year account age: nil

3)Provision for bad debt:

Applicable Not applicable

Other description: nil

(3)Other account receivable

1)Other account receivable disclosed by nature

In RMB/CNY

Nature	Ending book balance	Opening book balance
Utility bills	76,534.42	185,368.69
Petty cash	394,313.63	133,411.23
Attorney fee		77,534.25
Social insurance and housing provident funds	61,826.29	63,264.56
Deposit	600.00	600.00
Litigation fee	68,562.00	



Total	601,836.34	460,178.73
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2)Provision for bad debt:

In RMB/CNY

Provision for bad debt	First stage	Second stage	Third stage	Total
	Expected credit loss in next 12 months	Expected credit loss for the whole duration (no credit impairment)	Expected credit loss for the whole duration (credit impairment has occurred)	
Balance as at 1 Jan. 2019	23,008.94			23,008.94
Balance as at January 1. 2019 in current period	—	—	—	—
Provision in current period	7,082.88			7,082.88
Balance as at 31 Dec. 2019	30,091.82			30,091.82

Change of the book balance for major amount changed in loss provision

√ Applicable □ Not applicable

Book balance	First stage	Second stage	Third stage	Total
	Expected credit loss in next 12 months	Expected credit loss for the whole duration (no credit impairment)	Expected credit loss for the whole duration (credit impairment has occurred)	
Balance at period-begin	460,178.73			460,178.73
Balance at period-begin in current period	460,178.73			460,178.73
--Transfer in second stage				
--Transfer in third stage				
--Reverse to second stage				
--Reverse to first stage				
Increase in current period	5,012,978.40			5,012,978.40
Directly write down in current period	4,871,320.79			4,871,320.79
Derecognition in current period				
Other changes				
Ending balance	601,836.34			601,836.34

Released by account age

In RMB/CNY

Account age	Book balance
Within 1 year (inclusive)	599,600.34
Over 3 years	2,236.00



Over 5 years	2,236.00
Total	601,836.34

3) Provision, reversal or recovery of provision for bad debts in the period

Provision for bad debt in the period

In RMB/CNY

Category	Beginning balance	Amount changed in the period			Ending balance
		Accrual	Reversal or switch-back	Charge off	
Other account receivable	23,008.94	7,082.88			30,091.82
Total	23,008.94	7,082.88			30,091.82

Including major amount reversal or switch-back in the period : nil

4) Other receivables actually charge off in the period : nil

5) Top five other accounts receivable in terms of ending balance collected by the debtor

In RMB/CNY

Name of entity	Nature	Ending balance	Account age	Proportion in total amount of other accounts receivable at period-end	Ending balance of the bad debt provision
Chen Shaoxue	Petty cash	98,500.00	Within 1 year	16.37%	4,925.00
Guo Yubo	Petty cash	94,366.52	Within 1 year	15.68%	4,718.33
Chen Gang	Petty cash	78,996.70	Within 1 year	13.13%	3,949.84
Sanya suburban people's court	Litigation fee	68,562.00	Within 1 year	11.39%	3,428.10
Bright moon pavilion music restaurant	Utility bills	67,134.84	Within 1 year	11.15%	3,356.74
Total	--	407,560.06	--	67.72%	20,378.01



6)Account receivables related to government subsidies : nil

7)Other receivable for termination of confirmation due to the transfer of financial assets : nil

8)The amount of assets and liabilities that are transferred other receivable and continued to be involved : nil

3.Long-term equity investments

In RMB/CNY

Item	Ending balance			Beginning balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	1,000,000.00		1,000,000.00	1,000,000.00		1,000,000.00
Total	1,000,000.00		1,000,000.00	1,000,000.00		1,000,000.00

(1)Investment in subsidiaries

In RMB/CNY

Investee	Beginning balance(Book value)	Increase/decreased in 2019(+,-)				Ending balance(Book value)	Ending balance of the provision for impairment
		Additional investment	Capital reduction	Provision for impairment	Other		
Hainan Wengao Tourist Resources Development Co., Ltd.	1,000,000.00					1,000,000.00	
Total	1,000,000.00					1,000,000.00	

(2)Investment for joint venture and associated enterprise: nil

(3)Other description: nil

4.Operating revenue and operating cost

In RMB/CNY

Item	Year 2019		Year 2018	
	Revenue	Cost	Revenue	Cost



Primary business	22,782,376.82	10,608,243.38	26,442,049.47	11,280,674.54
Other businesses	3,153,028.62	474,523.56	3,073,542.86	474,523.56
Total	25,935,405.44	11,082,766.94	29,515,592.33	11,755,198.10

Whether the new revenue standards been implemented

Yes No

Revenue:

In RMB/CNY

Contract type	1# Division	2# Division		Total
Product type	22,782,376.82			22,782,376.82
Including:				
Room income	20,039,795.13			20,039,795.13
Classify by operation area	22,782,376.82			22,782,376.82
Including:				
Hainan	22,782,376.82			22,782,376.82
Type of market or clients	22,782,376.82			22,782,376.82
Including:				
Tourism and catering services	22,782,376.82			22,782,376.82
Including:				
Total	22,782,376.82			22,782,376.82

Information relating to performance obligation: nil

Information relating to the transaction price assigned to the remaining performance obligation:

The amount of revenue corresponding to performance obligation that have been signed but have not been fulfilled or have not been fulfilled at the end of the period was 0.00 Yuan, including 0.00 Yuan is expected to be recognized as revenue in subsequent years, 0.00 Yuan is expected to be recognized as revenue in subsequent years, 0.00 Yuan is expected to be recognized as revenue in subsequent years.

Other description: nil

**5. Investment income: nil****6. Other: nil****XVIII. Supplementary information****1. Breakdown of current non-recurring profits and losses**

√ Applicable □ Not applicable

In RMB/CNY

Item	Amount in 2019	Remark
Profit or loss from disposal of non-current assets	2,151.45	Income from disposal of fixed assets
Government grants included in the current profit or loss (except for government grants closely related to the enterprise business, obtained by quota or quantity at unified state standards)	292,643.89	Rewards for development of inbound tourism market supporting by the government and tax credit for the VAT input tax surcharge
Other non-operating revenue and expenses except for the above-mentioned items	1,540,017.83	Income from compensation and liquidation
Total	1,834,813.17	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

□ Applicable √ Not applicable

2. Return on equity (ROE) and earnings per share (EPS)

Profit during the reporting period	Weighted average ROE	Earnings per share	
		Basic EPS(RMB/Share)	Diluted EPS(RMB/Share)
Net profits attributable to ordinary shareholders of the Company	0.97%	0.0021	0.0021
Net profits attributable to ordinary shareholders of the Company after deduction of non-recurring profits or losses	-1.38%	-0.0030	-0.0030

3. Accounting difference between IFRS and CAS**(1) Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)**

□ Applicable √ Not applicable



(2) Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

(3) Explanation on data differences under the accounting standards in and out of China; as for the differences adjustment audited by foreign auditing institute, listed name of the institute : nil

4. Other: nil



Section XIII. Documents available for references

1. Financial statement with signature and seal of legal person, person in charge of accounting works and person in charge of accounting organ (accountant in charge);
2. Original auditing report bearing the seal of Accounting Firm and signature and seal of the CPA;
3. Original copies of all documents and announcements that publicly disclosed on Securities Times and Hong Kong Commercial Daily during the reporting period. The aforesaid documents are prepared at the securities department of the Company.

Board of Directors of

Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.

President: Yuan Xiaoping

19 march 2020