



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.



Da Dong Hai

Annual Report 2020

Disclosure Date: 24 April 2021



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 2020 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, Content and Interpretation.....	4
Section II Company Profile and Main Financial Indexes.....	4
Section III Summary of Company Business.....	9
Section IV Discussion and Analysis of Operation.....	11
Section V Important Events.....	23
Section VI Particular about Changes in shares and shareholders.....	34
Section VII Preferred Stock.....	42
Section VIII Convertible Bonds.....	43
Section IX Particulars about Directors, Supervisors, Senior Executives and Employees.....	44
Section X Corporate Governance.....	53
Section XI Corporate Bond.....	60
Section XII Financial Report.....	61
Section XIII Documents available for reference.....	174



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 of Directors (BOD)	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 2020 to 31 December 2020

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 2021, 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	DADONGHA		
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	hddhnhn@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	hddhnhn@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 Great-wall Assets Management Corporation, the first majority shareholder of the Company.</p> <p>4. On 19 September 2001, China Great-wall 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, Luoniushan Co., Ltd. entered into the "Statement", confirmed that the 60 million shares held by Haikou Food Co., Ltd. were held on behalf of Luoniushan Co., Ltd., the shares' ownership have been transfer dated 29 January 2010. Therefore, 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 Shu Lun Pan Certified Public Accountants LLP
Offices add. for CPA	4/F, 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

	2020	2019	Changes over last year (+,-)	2018
Operating income (RMB)	15,511,989.37	25,935,405.44	-40.19%	29,515,592.33
Net profit attributable to shareholders of the listed company (RMB)	-11,567,888.97	756,721.46	-1,628.69%	653,282.19
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-12,134,958.36	-1,078,091.71	-1,025.60%	816,346.09
Net cash flow arising from operating activities (RMB)	-6,729,267.98	4,713,661.51	-242.76%	6,783,893.26
Basic earnings per share (RMB/Share)	-0.0318	0.0021	-1,614.29%	0.0018
Diluted earnings per share (RMB/Share)	-0.0318	0.0021	-1,614.29%	0.0018
Weighted average ROE	-15.91%	0.97%	-16.88%	0.84%
	Year-end of 2020	Year-end of 2019	Changes over end of last year (+,-)	Year-end of 2018
Total assets (RMB)	97,441,339.20	87,521,184.25	11.33%	88,197,118.07
Net assets attributable to shareholder of listed company (RMB)	66,918,714.99	78,486,603.96	-14.74%	77,788,696.29

The lower of the company's net profit before or after deduction of non-recurring profit (gain)/loss for the last three financial years is negative, and the audit report for the latest year indicates that there is uncertainty about the company's ability to continue as a going concern

☐ Yes ☒ No

The lower of the net profit before or after deduction of non-recurring profit (gain)/loss is negative

☒ Yes ☐ No

Item	2020	2019	Note
Operating income (RMB)	15,511,989.37	25,935,405.44	Catering and accommodation industry



Amount deducted from operating income (RMB)	2,118,095.25	3,153,028.62	Income from leasing
Operating income after deduction (RMB)	13,393,894.12	22,782,376.82	Income from catering and accommodation

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	3,428,913.73	1,552,958.27	3,377,869.34	7,152,248.03
Net profit attributable to shareholders of the listed company	-2,490,007.13	-4,141,443.29	-2,089,502.41	-2,846,936.14
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-2,520,079.94	-4,027,674.93	-2,560,710.14	-3,026,493.35
Net cash flow arising from operating activities	-1,480,953.35	-3,308,237.57	-2,314,610.54	374,533.48

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	2020	2019	2018	Note
Gains/losses from the disposal of non-current	-148,457.47	2,151.45	-29,691.26	Loss from fixed assets



asset (including the write-off that accrued for impairment of assets)				disposal
Government 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)	817,825.34	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 income and expenditure except for the aforementioned items	-102,298.48	1,540,017.83	-133,372.64	
Other gains/losses items that meet the definition of extraordinary gains/losses				
Total	567,069.39	1,834,813.17	-163,063.90	--

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, with the continuous increase in the number of local hotels, family hotels, and home-stays, as well as the impact of force majeure and uncertain factors such as the COVID-19 epidemic, supply has far exceeded demand, industry competition has become increasingly fierce, and operating pressure remains unabated.

II. Major changes in main assets

1. Major changes in main assets

Major assets	Note of major changes
Construction in progress	Decreased 488,500 yuan compared with the end of last year with 100% declined, mainly because the construction in progress was carried forward to long-term deferred expenses.
Monetary funds	Decreased 4.4985 million yuan compared with the end of last year with 60.60% declined, mainly because: (1) revenue declined sharply due to the impact of epidemic, and has a severe losses; (2) more investment in hotel renovation and remodeling
Account receivable	Increased 118,200 yuan compared with the end of last year with 38.00% up, mainly because the account receivable ready for settlement increased;
Inventory	Increased 1.7557 million yuan compared with the end of last year with 690.51% up, mainly due to the purchase of liquor;
Other current assets	Increased 1.403 million yuan compared with the end of last year with 54.50% up, mainly because the input VAT to be deducted increased;
Long-term deferred expenses	Increased 13.4375 million yuan compared with the end of last year with 116.64% up, mainly due to the carry over for hotel renovation in the Period



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 hotels 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 global outbreak of the COVID-19 caused severe damage to the tourism industry and tourism service industry. Due to the severe impact of the epidemic, the company's main operating income dropped sharply and resulted in operating losses. In the reporting period, the Company achieved operation income from main business of 15.112 million yuan, decrease of 10.4234 million yuan compared with last year, a 40.19% down; achieved an operation profit loss of 11.3171 million yuan, an increase of 10.5317 million yuan over last year's loss, losses increased by 1340.94%; net non-operating income and expenditure amounted to -250800 yuan, decreased by 1.7929 million yuan compared with last year, an increase of 116.26; the net profit loss amounted to 11.5679 million yuan, an increase in loss of 12.3247 million yuan over last year, losses increased by 1628.59%. Main works are as:

1. Continue to strengthen the construction of hotel software and hardware equipment and facilities to improve product quality and competitiveness

During the reporting period, the company made full use of the off-season operation during the epidemic period, and carried out a comprehensive design and decoration and renovation to the hotel's B building and its annexes, building C, conference halls, staff canteens, offices, parking lots and pavements, as well as corresponding equipment and facilities. After renovation and adjustment, 46 new guest rooms have been newly increased, the number of guest rooms was increased, the scale of operation was expanded, the hardware operating environment of hotel guest rooms, conference halls, parking lots, landscaping, etc., as well as the working environment of staff canteen and offices were improved, which have effectively improved the quality and comprehensive competitiveness of the hotel's products and laid the foundation for the hotel's subsequent business environment.

2. Be market-oriented and actively expand domestic marketing channels

During the reporting period, the first two quarters were severely hit by the epidemic, and the company's hotel operations were bleak. The overseas market has almost stagnated so far. In the third quarter, hotel operations began to pick up gradually. In response, the company's hotel formulated a flexible marketing mechanism, while consolidating old customers, actively expanded domestic marketing channels, strengthened cooperation with well-known online sales platforms such as Ctrip and direct sales travel agencies in first- and second-tier cities, effectively increased the network, conference teams and travel agencies individual traveler sales, which filled the overseas customer source market that has been stagnant due to the impact of the epidemic, and successfully completed the transformation that was dominated by domestic market sales.

3. Reduce operating costs scientifically and reasonably, and improve the internal control system

During the reporting period, the company continued to strengthen cost control and strictly and rationally



controlled various expenses. The implementation of fixed work posts and the scientific and reasonable allocation of personnel improved execution and work efficiency, and reduced labor costs. Frequent inspections and frequent repairs eliminated waste of resources and improved the rationality of procurement costs and the cost-effectiveness of revenue. 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.

In 2021, the Company continues to consolidate and expand sales channels, improve the hotel's quality and service standards, and enhance the comprehensive competitiveness, to laying out a solid foundation for sustained, stable and healthy development of the Company.

II. Main business analysis

1. Introduction

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

2. Revenue/income and cost

(1)Constitute of operating income

In RMB

	2020		2019		Increase/decrease y-o-y (+,-)
	Amount	Ratio in operating income	Amount	Ratio in operating income	
Total operating income	15,511,989.37	100%	25,935,405.44	100%	-40.19%
According to industries					
Tourism catering service	13,393,894.12	86.35%	22,782,376.82	87.84%	-41.21%
Other business	2,118,095.25	13.65%	3,153,028.62	12.16%	-32.82%
According to products					
Room revenue	11,721,046.96	75.56%	20,039,795.13	77.26%	-41.51%
Catering entertainment revenue	1,672,847.16	10.78%	2,742,581.69	10.58%	-39.00%
Other revenue	2,118,095.25	13.65%	3,153,028.62	12.16%	-32.82%
According to region					
Hainan area	15,511,989.37	100.00%	25,935,405.44	100.00%	-40.19%

**(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 income	Operating cost	Gross profit ratio	Increase/decrease of operating income 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	13,393,894.12	12,293,939.28	8.21%	-41.21%	15.89%	-45.23%
Other business	2,118,095.25	474,523.56	77.60%	-32.82%	0.00%	-7.35%
According to products						
Room revenue	11,721,046.96	11,309,594.77	3.51%	-41.51%	23.22%	-50.69%
Catering entertainment revenue	1,672,847.16	984,344.51	41.16%	-39.00%	-31.87%	-6.70%
Other business	2,118,095.25	474,523.56	77.60%	-32.82%	0.00%	-7.35%
According to region						
Hainan area	15,511,989.37	12,768,462.84	17.69%	-40.19%	15.21%	-39.58%

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	2020		2019		Increase/decrease y-o-y (+,-)
		Amount	Ratio in operation cost	Amount	Ratio in operation cost	
Tourism catering	Raw material	982,975.27	7.70%	1,389,703.69	12.54%	-4.84%



service						
Tourism catering service	Salary welfare	1,524,250.26	11.94%	1,984,548.41	17.91%	-5.97%
Tourism catering service	Social security fund	134,953.30	1.06%	384,039.29	3.47%	-2.41%
Tourism catering service	Water and electricity	1,077,138.88	8.44%	1,314,413.76	11.86%	-3.42%
Tourism catering service	Depreciation and amortization	5,698,927.05	44.63%	3,172,103.74	26.62%	16.01%
Tourism catering service	Repair cost	412,609.44	3.23%	587,696.20	5.30%	-2.07%
Tourism catering service	Laundry fee	376,190.00	2.95%	585,680.00	5.28%	-2.34%
Tourism catering service	Total cost	12,768,462.84	100.00%	11,082,766.94	100.00%	0.00%

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)	4,699,035.43
Proportion in total annual sales volume for top five clients	30.29%
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	Shanghai Hecheng International Travel Service Co., Ltd.	2,667,748.88	17.19%
2	Sanya Haolide International Travel Service Co., Ltd.	687,372.00	4.43%
3	Sanya Youyi International Travel Agency Co., Ltd.	625,492.00	4.03%



4	Tianjin Watermelon Tourism Limited Liability Company	445,314.66	2.87%
5	Suzhou Branch of Beijing Tongcheng Huading International Travel Agency Co., Ltd.	273,107.89	1.76%
Total	--	4,699,035.43	30.29%

Other situation of main clients

☐ Applicable ☒ Not applicable

Main suppliers of the Company

Total purchase amount from top five suppliers (RMB)	7,362,828.56
Proportion in total annual purchase amount for top five suppliers	71.23%
Ratio of related parties in annual total sales among the top five suppliers	0.00%

Information of top five suppliers of the Company

Serial	Suppliers	Purchase amount (RMB)	Percentage of total annual procurement
1	Sichuan Langxing Tiancheng Trading Co., Ltd.	1,956,360.00	18.93%
2	Guangdong Wood Source Furniture Co., Ltd.	1,726,220.74	16.70%
3	Sanya Yunfang Food Distribution Co., Ltd.	1,675,873.50	16.21%
4	Sanya Power Supply Bureau of Hainan Power Grid	1,570,713.03	15.20%
5	Sanya Sino French Water Co., Ltd.	433,661.29	4.20%
Total	--	7,362,828.56	71.23%

Other notes of main suppliers of the Company

☐ Applicable ☒ Not applicable

3. Expenses

In RMB

	2020	2019	Increase/decrease y-o-y (+,-)	Note of major changes
Sales expense	4,853,722.93	5,606,474.47	-13.43%	
Management expense	9,026,426.56	9,772,412.86	-7.63%	
Financial expense	435,449.46	-175,760.38	286.94%	The financial interest for 19.79 million yuan bank loans is shown as a period expenses in the Period

**4. R&D expenses**

☐ Applicable ☒ Not applicable

5. Cash flow

In RMB

Item	2020	2019	Increase/decrease y-o-y (+,-)
Subtotal of cash in-flow from operation activity	16,246,729.46	29,918,529.05	-45.70%
Subtotal of cash out-flow from operation activity	22,975,997.44	25,204,867.54	-8.84%
Net cash flow arising from operating activities	-6,729,267.98	4,713,661.51	-242.76%
Subtotal of cash in-flow from investment activity	8,300.00	68,870.00	-87.95%
Subtotal of cash out-flow from investment activity	13,741,025.28	12,723,946.92	7.99%
Net cash flow arising from investment activity	-13,732,725.28	-12,655,076.92	8.52%
Subtotal of cash in-flow from financing activity	19,791,474.22		
Subtotal of cash out-flow from financing activity	3,827,961.10		
Net cash flow arising from financing activity	15,963,513.12		
Net increase of cash and cash equivalent	-4,498,480.14	-7,941,415.41	-43.35%

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

☐ Applicable ☒ Not applicable

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. Analysis of assets and liability

1. Major changes of assets composition

Implements the new revenue standard or new lease standard for the first time from 2020 and adjusts the financial statements at the beginning of the year of implementation

☒ Applicable ☐ Not applicable

In RMB

	Year-end of 2020		Year-begin of 2020		Ratio changes	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary funds	2,924,459.75	3.00%	7,422,939.89	8.48%	-5.48%	The bank loans during the reporting period, serious losses due to the epidemic, and payment for the hotel renovation work, than the monetary funds drops dramatically
Account receivable	429,303.32	0.44%	311,083.92	0.36%	0.08%	
Inventory	2,009,928.83	2.06%	254,257.19	0.29%	1.77%	Purchase of a batch of liquor during the reporting period
Investment real estate	7,435,433.31	7.63%	7,909,956.87	9.04%	-1.41%	
Fix assets	34,694,023.75	35.61%	35,075,195.98	40.08%	-4.47%	
Construction in progress			488,522.10	0.56%	-0.56%	
Long-term loans	9,893,757.94	10.15%			10.15%	Received a bank loans in the Period

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 controlling 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 income	Operating profit	Net profit
Hainan Wengao Tourism Resources Development Co., Ltd.	Subsidiary	Tourism development	1000000	1,000,454.19	1,000,454.19	0.00	-454.01	-454.01

Subsidiaries obtained and disposed during the reporting period

□ Applicable √ Not applicable

Explanation on main controlling and stock-jointly enterprise

VIII. Structured vehicle controlled by the Company

□ Applicable √ Not applicable

IX. Future Development Prospects

1. Development trend of the industry in which the company is located and market competition pattern faced by 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 preferential policy support for the internationalization of tourist island, off-shore duty-free and Hainan Free Trade Port/Free Trade Zone, 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, During the reporting period, the COVID-19 epidemic had a impact, the global economic had a downturn, and the tourist attractions across the country and neighboring countries had an increase, tourists had a diversion, and the number of local hotels, family hotels and home-stays had continuous increases, supply far exceeds the demand, and the market is becoming more competitive. Combined with the increasing level of local consumption, and soaring operation costs and expenses from the staff wages in hotel industry, operation profit shrink, the downward pressure on overall operation of the hotel industry continues to increase.

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 2021

(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

With the continuous development of global tourism industry, the continuous rise of high and low grade hotels, the continuous diversion of global tourist sources, as well as the impact of force majeure uncertainties such as the COVID-19, the number of local hotels and guesthouse rooms is increasing, and the industry competition is becoming more and more fierce. Furthermore, the main business of the Company is just a small-scale hotel, as the main business is single and the business scope is limited, the tourist market conditions and tourist quantity directly make significant affects on the company performance.

Countermeasure: made a scientific management and decision-making procedures, strengthen the awareness of risk prevention, building and improving relevant mechanism and standardized the management in the Company. Furthermore, increase the sales ability, on base of the former sales network, continues to exploit foreign high-end tourism market under the superior geographical location and environment for improving the occupancy rate. Besides, continues to exploit financing channel, actively promote restructuring, expanding operation projects, enrich the industrial structure for increasing the profit increasing point.

X. Reception of research, communication and interview

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

√Applicable □ Not applicable

Reception time	Reception site	Way	Reception type	Reception object	Main content of the discussion and information provided	Basic situation index of investigation
2020-10-09	The company	Telephone communication	Individual	Investor Mr./Ms.Lin from Zhejiang	Operation performance of the 3Q and disclosure date, no materials required	-
2020-10-21	The company	Telephone communication	Individual	Investor Mr./Ms. Zhong from Jiangsu	Lawsuit of the Company and no material required	-



2020-11-05	The company	Telephone communication	Individual	Investor Mr./Ms. Zhang from Chengdu	Commitments of share reform perform by the first majority shareholder of the Company, and no material required	-
2020-11-17	The company	Telephone communication	Individual	Investor Mr./Ms. Li from Shenzhen	Annual operation performance of the Company and no material required	-
2020-12-10	The company	Telephone communication	Individual	Investor Mr./Ms. Zhuang from Fujian	Impact of the epidemic on the company's operation and no material required	-
2020-12-30	The company	Telephone communication	Individual	Investor Mr./Ms. Zhang from Guangdong	Annual operation performance of the company and impact of the new regulations on the company, no material required	-
2020-12-31	The company	Telephone communication	Individual	Investor Mr./Ms. Shu from Shanghai	Impact of the new regulations on the company, no material required	-
Reception (times)				32		
Number of hospitality				0		
Number of individual reception				32		
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
2020	0.00	-11,567,888.97	0.00%	0.00	0.00%	0.00	0.00%
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%

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	Promis e	Type of com mit ment s	Content of commitments	Com mitm ent date	Com mitm ent term	Imple menta tion
Commitments for Share Merger Reform	Luoniushan Co., Ltd.	Com mit ment s for Shar e Mer ger Refo rm	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					
If the commitments is not fulfilled on time, shall explain the specify reason and the next work plan	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 11 th extraordinary general meeting of the 8 th 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					



	<p>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>
--	---

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

(i) Changes in significant accounting policies

(1) Implement the Accounting Standards for Business Enterprises No. 14 -- Revenue (revised in 2017) (hereinafter referred to as the "new revenue standards")



The Ministry of Finance revised the Accounting Standards for Business Enterprises No. 14 - Revenue in 2017. The revised standard stipulates that the first implementation of the standard should adjust the amount of retained earnings and other related items in the financial statements at the beginning of the year according to the cumulative impact, without adjusting the information for comparable periods.

The Company implement the new revenue standards since January 1, 2020. In accordance with the provisions of the Standards, the Company will only adjust the amount of retained earnings at the beginning of 2020 and other related items in the financial statements for the cumulative impact of contracts that have not been completed at the first execution date, not the comparative financial statements.

(2) Implementation of Interpretation of Accounting Standards for Business Enterprises No. 13

The Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No. 13 (Finance and Accounting [2019] No. 21, hereinafter referred to as "Interpretation No. 13") on December 10, 2019, which took effect on January 1, 2020 and does not require retroactive adjustment.

① Recognition of the affiliated party

Interpretation No. 13 makes it clear that the following circumstances constitute an affiliated party: a joint venture or joint venture between the enterprise and other members of the enterprise group (including the parent company and subsidiaries); Joint ventures of an enterprise and other joint ventures or associates of an enterprise. In addition, Interpretation No. 13 also makes it clear that only two or more enterprises that are materially affected by one party do not constitute affiliated parties, and adds that joint ventures include joint ventures and their subsidiaries, and joint ventures include joint ventures and their subsidiaries.

② Definition of business

Interpretation No. 13 improves the three elements of business composition, elaborates the judgment conditions of business composition, and introduces the choice of "concentration test" to simplify the judgment of whether a portfolio acquired under different control constitutes business to a certain extent.

The Company has implemented Interpretation No. 13 since January 1, 2020, and the comparative financial statements have not been adjusted. The Company has not implemented Interpretation No. 13, which has had a significant impact on the Company's financial position and operating results

(3) Implementation of the Interim Provisions on Accounting Treatment for Carbon Emission Trading

The Ministry of Finance issued the Interim Provisions on Accounting Treatment of Carbon Emission Trading ([2019] No. 22) on December 16, 2019, which is applicable to relevant enterprises of key emitters that carry out carbon emission trading business in accordance with the Interim Measures on the Administration of Carbon Emission Trading and other relevant provisions (hereinafter referred to as key emitters). The regulation will take effect on January 1, 2020, and key emission enterprises should apply the regulation by adopting the future application method.

The Company has implemented this provision since January 1, 2020, and the comparative financial statements are not adjusted. The implementation of this provision has not had a significant impact on the Company's financial position and operating results.

**(4) Implement the COVID-19 Outbreak Related Rental Concession Accounting Rules**

On June 19, 2020, the Ministry of Finance (MOF) issued the Accounting Regulations on the Treatment of Rent Concessions Related to COVID-19 (Finance and Accounting [2020] No. 10), which has come into force on June 19, 2020, allowing enterprises to adjust the relevant rent concessions that occurred between January 1 2020 to the implementation date of this regulation. According to this regulation, enterprises can choose to adopt a simplified method for accounting treatment of rent concessions, such as rent remission and deferred payment, which are directly caused by COVID-19.

The Company has implemented this provision since January 1, 2020, and the comparative financial statements are not adjusted. The implementation of this provision has not had a significant impact on the Company's financial position and operating results.

(ii) Changes in accounting estimates

There was no change in the principal accounting estimates of the Company during the reporting period.

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

☐ Applicable ☒ Not applicable

There was 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

There was 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 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	10
Name of domestic CPA	Li Jinhua, Zhu Meirong
Continuous fixed number of year for the auditing service provided by CPA in domestic CPA Firms	3

Re-appointed accounting firms in this period

☐ Yes ☒ No

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

☐ Applicable ☒ Not applicable

**X. Facing delisting after annual report disclosure**

√Applicable □ Not applicable

After the disclosure of Annual Report 2020 under the name of the Company, trading of the stock of the Company was implemented delisting risk warning. If one of the circumstances specified in Article 14.3.11 of the Rules Governing the Listing of Stocks on Shenzhen Stock Exchange occurs in the year of 2021, the trading of the stock may be terminated after the disclosure of the Annual Report 2021.

XI. Bankruptcy reorganization

□ Applicable √ Not applicable

There was 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
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. And the company filed a lawsuit in court for the 7.31 million yuan outstanding.	731	N	The court of first instance ruled against the company's claim, and the company filed an appeal. The court of second instance ruled to revoke the judgment of first instance, supporting the company's claim. The company has applied for court enforcement, which is still pending.	The company has applied to the court for enforcement, but there is no result yet. Hainan Dadonghai Tourism Centre Group Co., Ltd. has not repaid the loan to the company, and the company is currently unable to determine the impact of this litigation on the	The company has applied for court enforcement, which is still pending.	4 June 2019, 13 June 2020, 16 September 2020 and 22 October 2020	Announcement on Significant Litigation (Announcement No.: 2019-017, No.:2020-021, No.: 2020-025 and No.: 2020-027) published on <i>Securities Times</i> , <i>Hong Kong Commercial Daily</i> and www.cninfo.com.cn .



				company's current or future profits.			
On May 31, 2018, the Sanya Local Taxation Bureau Social Security Fee Collection and Administration Bureau issued a notice of payment deadline for social insurance premiums to the company's South China Hotel, ordering the company's South China Hotel to pay the unpaid social insurance premiums and late payment fees and interest from January 1, 2012 to December 31, 2012 of totaling 286,200.36 yuan. On May 17, 2018, the Sanya Local Taxation Bureau deducted the money from the deposit of the company's South China Hotel. According to the agreement of the "Responsibility Letter of the Target Management of South China Hotel" signed by South China Hotel and Sun Hongjie, Sun Hongjie should be responsible for the social insurance premium incurred from May 1, 2011 to April 30, 2016. The unpaid social insurance premium occurred during Sun Hongjie's target management responsibility, and Sun Hongjie should undertake the payment. Sun Hongjie has not repaid the advance payment to the company's South China Hotel. To this end, the company's South China Hotel appealed to the court.	28.62	N	The first trial ruling upheld the company's claim	The company has non-operation revenue of 286,200 yuan increased, which affected the profit of the Period by 286,200 yuan	Enforcement has been completed	-	-

XIII. Penalty and rectification

☐ Applicable ☒ Not applicable

There was 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 Yuan)	Proportion in similar transactions	Trading limit approved (in 10 thousand 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	5.44	0.35 %	0	N	Same as the transaction with non-related party	Same as the transaction with non-related party	-	-
Total				--	--	5.44	--	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				N/A									



reference price

2. Related transactions by assets acquisition and sold☐ Applicable ☒ Not applicable

There was no related transactions by assets acquisition and sold for the Company in reporting period

3. Related transactions of mutual investment outside☐ Applicable ☒ Not applicable

There was no main related transactions of mutual investment outside for the Company in reporting period

4. Contact of related credit and debt☐ Applicable ☒ Not applicable

There was 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

There was no trusteeship for the Company in reporting period

(2) Contract☐ Applicable ☒ Not applicable

There was no contract for the Company in reporting period

(3) Leasing☒ Applicable ☐ Not applicable

Note of leasing

Item	Tenant	Lease life	Term of lease
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
Multi-functional meeting room	Li Fuming	5 years	2019-11-01 to 2024-10-31

Projects that bring profit and losses to the Company to more than 10% of the total profit in the 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 (Y/N)	Association relation
The Company	Sanya Leda Food Management Co., Ltd.	Seaside stall and wood house	653	2018-01-01	2022-12-31	120	Contract	Increase income	N	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. Significant contracts for daily operation

√Applicable □ Not applicable

Contracting party	Counter party	Contract object	Total amount of contract (in 10 thousand)	Progress of the contract performance	Sales revenue recognized during the current period and cumulatively	Account receivable recovery
-------------------	---------------	-----------------	---	--------------------------------------	---	-----------------------------



			Yuan)			
The Company	Sichuan Langxing Tiancheng Trading Co., Ltd.	53 degree liquor Qinghualang	195.64	100%	N/A	N/A

The significant contract progress is materially different from the contract agreement and affects more than 30% of the contract amount

☐ Applicable ☒ Not applicable

5. Other significant contracts

☐ Applicable ☒ Not applicable

There was no other significant contracts for the Company in reporting period

XVIII. Social responsibility

1. Social responsibilities: Nil

2. Execution of social responsibility of targeted poverty alleviation: Nil

3. Environmental protection

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

☐ Yes ☒ 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 still communicating and coordinating with Sanya Power Bureau in the above mentioned event, but there is no results at present.

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	10,223,400	2.81%						10,223,400	2.81%
1. State-owned shares									
2. State-owned legal person's shares	1,399,200	0.38%						1,399,200	0.38%
3. Other domestic shares	8,824,200							8,824,200	2.42%
Including: Domestic legal person's shares	8,824,200	2.42%						8,824,200	2.42%
Domestic natural person's shares									
4. Foreign shares									
Including: Foreign legal person's shares									
Foreign natural person's shares									
II. Unrestricted shares	353,876,600	97.19%						353,876,600	97.19%
1. RMB ordinary shares	265,876,600	73.02%						265,876,600	73.02%
2. Domestically listed foreign shares	88,000,000	24.17%						88,000,000	24.17%
3. Overseas listed foreign shares									
4. Others									
III. Total shares	364,100,000	100.00%						364,100,000	100.00%



Reasons for share changed

☐ Applicable ☒ Not applicable

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-begin	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	After remove restricted procedures complete



					share reform	
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
Special account for disposition of bankrupt enterprise property- Hong Kong-Macao International Hainan Investment Co., Ltd.	924,000	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
Total	10,223,400	0	0	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	36,138	Total common stock shareholders at end of last month before annual report disclosed	40,973	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		
Zhang Fengxiu	Domestic nature person	0.84%	3,041,372	0	0	3,041,372		
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign corporate	0.81%	2,938,390	-118,000	0	2,938,390		
Sun Huiming	Domestic nature person	0.79%	2,888,690	0	0	2,888,690		
China Investment Securities (HK) Co., Ltd. – customer deposit	Foreign corporate	0.74%	2,683,900	938,400	0	2,683,900		
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.		
Description of the above shareholders in relation to delegate/entrusted voting rights and abstention from voting rights.	N/A		
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
Zhang Fengxiu	3,041,372	RMB common share	3,041,372
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	2,938,390	Domestically listed foreign share	2,938,390
Sun Huiming	2,888,690	Domestically listed foreign share	2,888,690
China Investment Securities (HK) Co., Ltd. – customer deposit	2,683,900	RMB common share	2,683,900
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 (The largest shareholder) of the Company

Nature of controlling shareholders (The largest shareholder): community collective holding

Type of controlling shareholders (The largest shareholder): legal person

Controlling shareholders (The largest shareholder)	Legal person/person in charge of the unit	Date of foundation	Organization code	Main operation business
Luoniushan Co., Ltd.	Xu Zili	December 19, 1987	Unified social credit code 91460000284089747P	Planting and breeding; setting up industry; real estate development and operation; building decoration project; processing and sales of agricultural and sideline livestock and aquatic products and livestock and poultry breeding; machinery, automobile and motorcycle parts, electronic products, metal materials (except for franchise), chemical products (except for franchise), sales of household appliances, modern office supplies, stationery and sports goods, daily necessities, building materials, agricultural and sideline native products; development and construction of trading markets; leasing services; warehousing services; collection and payment of water and electricity fees.
Equity of other domestic/overseas listed company control by controlling shareholder (The largest shareholder) as well as stock-joint in report period	Found more details in full text of Annual Report 2020 of Luoniushan Co., Ltd. (Short form of the stock: Luoniushan, Stock code: 000735)			

Changes of controlling shareholders (The largest shareholder) in reporting period

☐ Applicable ☒ Not applicable

The Company had no changes of controlling shareholders (The largest shareholder) 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		



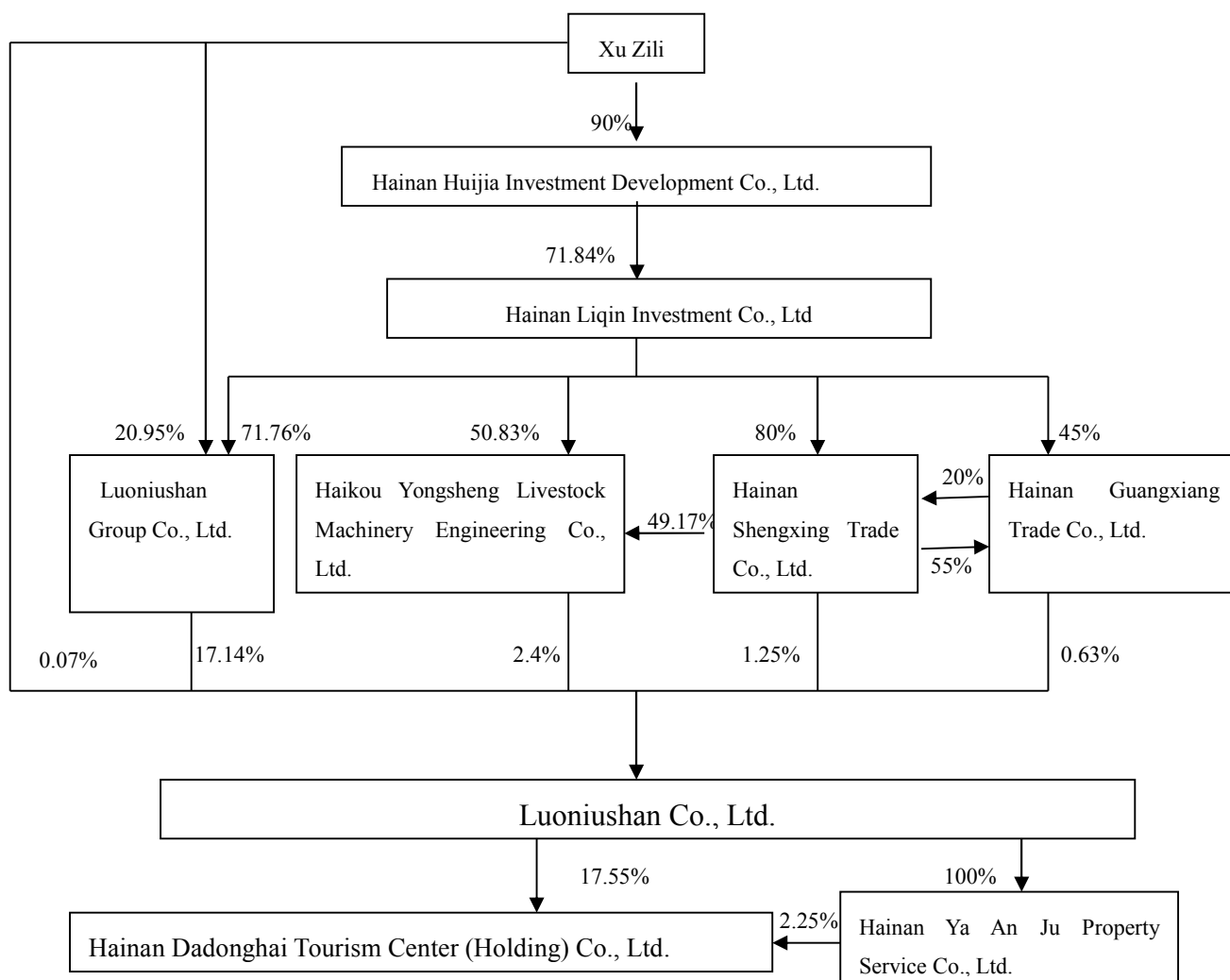
	Haikou Animal Husbandry Machinery Engineering Co., Ltd.; Chairman of Tianjin Baodi Agricultural Technology Co., Ltd.; Vice Chairman and General Manager of the Company from August 2006 to November 2011; serves as Chairman of the Company since November 2011; now he takes as the 7 th CPPCC member of Hainan 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	57	February 28, 2018	February 27, 2021	0	0	0	0	0
Tang Guoping	Independent Director	Currently in office	M	56	May 22, 2014	May 21, 2020	0	0	0	0	0
Wu Tao	Independent Director	Currently in office	M	42	February 28, 2018	February 27, 2021	0	0	0	0	0
Tang Shanrong	Director	Currently in office	M	41	February 28, 2018	February 27, 2021	0	0	0	0	0
Huang Wencai	Chairman of supervisory committee	Currently in office	M	51	June 16, 2002	February 27, 2021	0	0	0	0	0



ZhangXuli	Supervisor	Currently in office	F	37	February 28, 2018	February 27, 2021	0	0	0	0	0
Chen Gang	Supervisor	Currently in office	M	54	July 29, 2016	February 27, 2021	0	0	0	0	0
Fu Zongren	Person in charge of finance	Currently in office	M	53	April 15, 2015	February 27, 2021	0	0	0	0	0
Ding Qin	Deputy General Manager	Currently in office	M	49	August 10, 2018	February 27, 2021	0	0	0	0	0
Wang Hongjuan	Director/deputy GM/secretary of the Board	Currently in office	F	44	April 27, 2008	February 27, 2021	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 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 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 served as Vice President of China Rural Youth Enrichment Leaders Association, and 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 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 Mhome Real Estate, Lens Technology and SDG Information. 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 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. From March 2014 to September 2018, he has been serving as the vice chairman and vice president of Shanghai Huantao Investment Management Co., Ltd. Since August 2015 to the present, he has been a supervisor of Shanghai Hemin Investment Management Co., Ltd., from September 2018 to March 2020, he served as the general manager of Shanghai Mingxi Dongsan Investment Co., Ltd., since September 2020, he has served as independent director of Heilongjiang Traditional Chinese Medicine 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 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 deputy GM of Hainan Luoniushan Meat Co., Ltd.; Currently he served as executive director of Baoting Luoniushan Food Co., Ltd., and he held the position of Chairman of Supervisory Committee of the Company since 2002.

Ms. Zhang Xuli, born in 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. From December 2015 to September 2020, she has been serving as the investment director and GM of Luoniushan (Beijing) Investment Co., Ltd. Now he served as Director and General Manager of Hainan (Tanniu) Wenchang Chicken Co., Ltd., and since March 2018, she has been serving as a shareholder supervisor of the company.

Mr. Chen Gang, was born in 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 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 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.	President's Secretary	August 2006	March 2014	Y
	Hainan Luoniushan Energy Environmental Protection Co., Ltd.	General manager	September 2009	February 2014	Y
	Hainan Luoniushan Agricultural Technology Co., Ltd.	Chairman	October 2011	February 2014	Y
	Luoniushan Co., Ltd.	Assistant to the President and General Manager of the Administration Department	March 2014	August 2016	Y
	Luoniushan Co., Ltd.	Vice president	August 2016		Y
	Real Estate Branch of Luoniushan Co., Ltd.	Chairman	June 2018		Y
Zhang Xuli	Luoniushan (Beijing) Investment Co., Ltd.	Investment director, general manager	December 2015	September 2020	Y
	Hainan (Tanniu) Wenchang Chicken Co., Ltd.	Director, general manager	November 25, 2020		Y
Huang Wencai	Baoting Luoniushan Food Co., Ltd.	Executive director	July 12, 2019		Y
Note of post-holding in shareholder's unit	N/A				

Post-holding in other unit

√ Applicable □ Not applicable

Name	Other unit	Position in other unit	Start dated of office term	End date of office term	Whether obtained
------	------------	------------------------	----------------------------	-------------------------	------------------



					remuneration from other unit (Y/N)
Tang Guoping	Accounting School of Zhongnan University of Economics and Law	Full-time professor	December 2015		Y
	MHome Group Real Estate Development Group Co., Ltd.	Independent director	July 2020	July 2023	Y
	Lens Technology Co., Ltd.	Independent director	July 2017	July 2021	Y
	Shenzhen SDG Information Co., Ltd.	Independent director	November 2018	November 2021	Y
	Wuhan Cabio Biotech Engineering Co., Ltd.	Independent director	December 2018	December 2021	Y
	Shengang Securities Co., Ltd.	Independent director	June 2019	June 2022	Y
Wu Tao	Shanghai Reynolds Co., Ltd.	Deputy General Manager, Secretary of the Board	2011	2014	Y
	Shanghai Huantao Investment Management Co., Ltd.	Vice Chairman, Vice President	March 2014	September 2018	Y
	Shanghai Hemin Investment Management Co., Ltd.	Supervisor	August 2015		N
	Shanghai Mingxi Dongsan Investment Co., Ltd.	GM	September 2018	March 2020	Y
	Heilongjiang Zhongrui Medicine Co., Ltd.	Independent director	September 2020		Y
Post-holding in other unit	N/A				

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	57	Currently in office	57.13	N
Tang Shanrong	Director	M	41	Currently in office	4.8	Y
Tang Guoping	Independent Director	M	56	Currently in office	4.8	N
Wu Tao	Independent Director	M	42	Currently in office	4.8	N
Huang Wencai	Chairman of supervisory committee	M	51	Currently in office	2.4	Y
ZhangXuli	Supervisor	F	37	Currently in office	2.4	Y
Chen Gang	Supervisor	M	54	Currently in office	12.47	N
Fu Zongren	Person in charge of finance	M	53	Currently in office	32.29	N
Ding Qin	Deputy GM	M	49	Currently in office	31.93	N
Wang Hongjuan	Director /secretary of the Board/Deputy GM	F	44	Currently in office	42.3	N
Total	--	--	--	--	195.32	--

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)	120
--	-----



The number of current employees of main subsidiaries (people)	0
Total number of current employees (people)	120
The total number of current employees to receive pay (people)	120
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	65
Salesman	6
Technical staff	17
Financial staff	12
Administrative staff	20
Total	120
Education background	
Category of education	Number (people)
Graduate student	1
Undergraduate	15
Junior college above	35
High school and below	69
Total	120

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

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 2019	AGM	20.78%	May 22, 2020	May 23, 2020	The "Resolution Notice of Annual Shareholders' General Meeting of 2019" (No.: 2020-018) published on Securities Times, Hong Kong Commercial Daily and Juchao website (www.cninfo.com.cn) dated 23 May 2020

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	0	5	0	0	N	1
Wu Tao	5	0	5	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

The company's main business is single, small in scale, and weak in anti-risk capabilities. It is recommended that while strengthening the main business, the company continues to look for suitable projects for asset reorganization, enrich the industrial structure, increase main business income and profit growth points, and enhance the company's ability to resist risks and competitiveness.

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 2020, and the 2020 semi-annual financial report. In the process of annual financial report auditing 2020 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 2020 and the financial status as well as the report on annual financial report audit work arrangement of 2020, 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 2021, 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 April 2021, 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 2020 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 2021.

2. Remuneration and Appraisal 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 strategy committee of the company's board of directors put forward opinions on the company's development plans and investment decisions, and believed that the company should strive to strengthen its main business, ensure the profit of the main business year, and avoid the risk of delisting, at the same time, continued to look for suitable projects for asset reorganization, enrich the industrial structure, and increase main business income and profit growth points.

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		April 24, 2021
Disclosure index of full internal control appraisal report		Relevant information found in Appraisal Report of Internal Control for 2020 published on Juchao Website dated 24 April 2021
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	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.	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.
	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.	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
	General deficiencies: deficiencies that out of the	



	recognition of major and significant deficiencies should be recognized as general deficiencies	company's internal controls have not been rectified and reformed General deficiencies: deficiencies that out of the recognition of major and significant deficiencies should be recognized as general deficiencies
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 Centre (Holdings) Co., Ltd.:</p> <p>In accordance with Audit Guideline for Enterprise Internal Control and relevant requirement of the practicing standards of Chinese Certified</p>



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 2020.

I. As for responsibility of internal control

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.

II. Auditor's responsibilities

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.

III. Inherent feature of internal control

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 risk.

IV. Auditing opinion: in our opinion

The Company, in line with *Basic Norms of Enterprises Internal Control* and relevant regulations, shows an effectiveness internal control of financial report in all major aspects dated 31 December 2020.

BDO CHINA Shu Lun Pan CPA (LLP)

Certified Public Accountant of China: Li Jinhua

Certified Public Accountant of China: Zhu Meirong

Shanghai·China

22 April 2021

Disclosure details of audit report of internal control	Disclosed
Disclosure date of audit report of internal control (full-text)	April 24, 2021
Index of audit report of internal control (full-text)	Relevant information found in Self-appraisal Report of Internal Control for 2020 published on Juchao Website dated 24 April 2021.
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	April 22, 2021
Name of audit institute	BDO CHINA Shu Lun Pan Certified Public Accountants (LLP)
Document serial of audit report	PCPAR [2021] No. ZA11117
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 2020 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 2020 under the name of Dadonghai well we the operation results and cash flow for the year of 2020.

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 15.512 million yuan in 2020, of which room income was 11.721 million yuan, accounting for 75.56% 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) Confirmation of long-term deferred expenses for guest room decoration	
<p>Dadonghai Co., Ltd. renovated the guest room B building and hotel landscape of South China Hotel in 2020, and a total of 17,066,700yuan has been confirmed for long-term unamortized expenses, which has been put into use on October 12, 2020, with amortization of 744,732.21 yuan in the current year.</p> <p>As the total amount incurred is relatively significant and has a greater impact on this year and subsequent years, and there is a risk that it may be manipulated to reach the target or expected level, we recognize the confirmation of the long-term unamortized expenses for the guest room decoration of Dadonghai Co., Ltd. as a key audit matter.</p>	<p>For the confirmation and amortization of long-term unamortized expenses, we implemented the following procedures:</p> <p>(1) We understood and evaluated the effectiveness of Dadonghai's internal control implementation of the investment and decoration of Building B.</p> <p>(2) Collected and inspected the relevant documents of the board of directors on the investment and renovation of Building B by Dadonghai Co., Ltd., the bidding documents for decoration and renovation, and the notice of bid winning, etc. to confirm the appropriateness of the cost of the decoration and renovation project of Building B.</p> <p>(3) Checked the key documents such as the renovation project construction contract, payment receipt, and project acceptance certificate to confirm the authenticity of the cost of the decoration and renovation project and the accuracy of the time point when the project reaching the intended usable state.</p> <p>(4) Calculated the amortization of long-term unamortized expenses to confirm the accuracy of the amortization amount.</p> <p>(5) Made external confirmations to the engineering decoration company to confirm the authenticity and completeness of the decoration amount. At the same time, inquired about the industrial and commercial information of the engineering decoration company, combined with the external confirmations, and comprehensively judged whether the engineering decoration company had a related party relationship with Dadonghai.</p>

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 2020, 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 skepticism 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 (Including disclosure), 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 merge 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

22 April 2021



II. Financial Statement

Expressed in Renminbi unless otherwise stated

1. Consolidated balance sheet

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

December 31, 2020

In RMB

Item	December 31, 2020	December 31, 2019
Current assets:		
Monetary funds	2,924,459.75	7,422,939.89
Settlement provisions		
Capital lent		
Tradable financial assets		
Derivative financial assets		
Note receivable		
Account receivable	429,303.32	311,083.92
Receivable financing		
Accounts paid in advance		
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	432,560.55	571,744.52
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	2,009,928.83	254,257.19
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	3,977,452.24	2,574,442.57
Total current assets	9,773,704.69	11,134,468.09
Non-current assets:		



Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	7,435,433.31	7,909,956.87
Fixed assets	34,694,023.75	35,075,195.98
Construction in progress		488,522.10
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	20,580,474.72	21,392,861.88
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	24,957,702.73	11,520,179.33
Deferred income tax asset		
Other non-current asset		
Total non-current asset	87,667,634.51	76,386,716.16
Total assets	97,441,339.20	87,521,184.25
Current liabilities:		
Short-term loans		
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	808,710.46	1,250,409.75
Accounts received in advance		786,715.42
Contractual liability	626,285.33	
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		



Security sales of agency		
Wage payable	2,595,861.40	2,552,996.37
Taxes payable	366,892.96	307,257.85
Other account payable	6,167,763.36	2,647,515.86
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	6,621,497.94	
Other current liabilities	37,577.12	
Total current liabilities	17,224,588.57	7,544,895.25
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	9,893,757.94	
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	1,914,592.66	
Total non-current liabilities	13,298,035.64	1,489,685.04
Total liabilities	30,522,624.21	9,034,580.29
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	-351,324,135.02	-339,756,246.05
Total owner's equity attributable to parent company	66,918,714.99	78,486,603.96
Minority interests		
Total owner's equity	66,918,714.99	78,486,603.96
Total liabilities and owner's equity	97,441,339.20	87,521,184.25

Legal Representative: Yuan Xiaoping

Accounting Principal: Fu Zongren

Accounting Firm's Principal: Fu Zongren

2. Balance sheet of parent company

In RMB

Item	December 31, 2020	December 31, 2019
Current assets:		
Monetary funds	2,923,474.26	7,421,452.59
Trading financial assets		
Derivative financial assets		
Note receivable		
Account receivable	429,303.32	311,083.92
Receivable financing		
Accounts paid in advance		
Other account receivable	432,560.55	571,744.52
Including: Interest receivable		
Dividend receivable		
Inventories	2,009,928.83	254,257.19
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	3,977,452.24	2,574,442.57
Total current assets	9,772,719.20	11,132,980.79
Non-current assets:		



Debt investment		
Other debt investment		
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	7,435,433.31	7,909,956.87
Fixed assets	34,694,023.75	35,075,195.98
Construction in progress		488,522.10
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	20,580,474.72	21,392,861.88
Research and development costs		
Goodwill		
Long-term deferred expenses	24,957,702.73	11,520,179.33
Deferred income tax assets		
Other non-current assets		
Total non-current assets	88,667,634.51	77,386,716.16
Total assets	98,440,353.71	88,519,696.95
Current liabilities		
Short-term borrowings		
Trading financial liability		
Derivative financial liability		
Notes payable		
Account payable	808,710.46	1,250,409.75
Accounts received in advance		786,715.42
Contractual liability	626,285.33	
Wage payable	2,595,861.40	2,552,996.37
Taxes payable	366,892.96	307,210.05
Other accounts payable	7,167,232.06	3,646,984.56
Including: Interest payable		
Dividend payable		
Liability held for sale		



Non-current liabilities due within one year	6,621,497.94	
Other current liabilities	37,577.12	
Total current liabilities	18,224,057.27	8,544,316.15
Non-current liabilities:		
Long-term loans	9,893,757.94	
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	1,914,592.66	
Total non-current liabilities	13,298,035.64	1,489,685.04
Total liabilities	31,522,092.91	10,034,001.19
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	-351,324,589.21	-339,757,154.25
Total owner's equity	66,918,260.80	78,485,695.76
Total liabilities and owner's equity	98,440,353.71	88,519,696.95

3. Consolidated profit statement

In RMB

Item	2020	2019
------	------	------



I. Total operating income	15,511,989.37	25,935,405.44
Including: Operating income	15,511,989.37	25,935,405.44
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	27,583,513.78	27,008,417.09
Including: Operating cost	12,768,462.84	11,082,766.94
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	499,451.99	722,523.20
Sales expense	4,853,722.93	5,606,474.47
Administrative expense	9,026,426.56	9,772,412.86
R&D expense		
Financial expense	435,449.46	-175,760.38
Including: Interest expenses	551,742.76	
Interest income	155,036.56	210,556.05
Add: other income	817,825.34	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 "-")	-63,433.95	-5,032.26
Losses of devaluation of asset (Loss is listed with "-")		



Income from assets disposal (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	-11,317,133.02	-785,400.02
Add: Non-operating income	286,427.86	1,555,255.92
Less: Non-operating expense	537,183.81	13,086.64
IV. Total profit (Loss is listed with “-”)	-11,567,888.97	756,769.26
Less: Income tax expense		47.80
V. Net profit (Net loss is listed with “-”)	-11,567,888.97	756,721.46
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with ‘-’)	-11,567,888.97	756,721.46
2.termination of net profit (net loss listed with ‘-’)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	-11,567,888.97	756,721.46
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.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		



6. Translation differences arising on translation of foreign currency financial statements		
7. Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	-11,567,888.97	756,721.46
Total comprehensive income attributable to owners of parent Company	-11,567,888.97	756,721.46
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(i) Basic earnings per share	-0.0318	0.0021
(ii) Diluted earnings per share	-0.0318	0.0021

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	2020	2019
I. Operating income	15,511,989.37	25,935,405.44
Less: Operating cost	12,768,462.84	11,082,766.94
Taxes and surcharge	499,451.99	722,523.20
Sales expenses	4,853,722.93	5,606,474.47
Administration expenses	9,026,226.56	9,772,412.86
R&D expenses		
Financial expenses	435,195.45	-174,607.65
Including: interest expenses	551,742.76	
Interest income	155,020.57	209,033.32
Add: other income	817,825.34	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 “-”)	-63,433.95	-5,032.26
Losses of devaluation of asset (Loss is listed with “-”)		
Income on disposal of assets (Loss is listed with “-”)		
II. Operating profit (Loss is listed with “-”)	-11,316,679.01	-786,552.75
Add: Non-operating income	286,427.86	1,555,220.92
Less: Non-operating expense	537,183.81	13,086.64
III. Total Profit (Loss is listed with “-”)	-11,567,434.96	755,581.53
Less: Income tax		
IV. Net profit (Net loss is listed with “-”)	-11,567,434.96	755,581.53
(i) continuous operating net profit (net loss listed with “-”)	-11,567,434.96	755,581.53
(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.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		



6. Translation differences arising on translation of foreign currency financial statements		
7. Other		
VI. Total comprehensive income	-11,567,434.96	755,581.53
VII. Earnings per share:		
(i) Basic earnings per share	-0.0318	0.0021
(ii) Diluted earnings per share	-0.0318	0.0021

5. Consolidated cash flow statement

In RMB

Item	2020	2019
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	15,291,982.42	27,678,170.32
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	954,747.04	2,240,358.73
Subtotal of cash inflow arising from operating activities	16,246,729.46	29,918,529.05
Cash paid for purchasing commodities and receiving labor service	8,610,462.77	7,564,247.62
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	11,285,378.24	12,622,537.61
Taxes paid	778,432.92	1,725,491.14
Other cash paid concerning operating activities	2,301,723.51	3,292,591.17
Subtotal of cash outflow arising from operating activities	22,975,997.44	25,204,867.54
Net cash flows arising from operating activities	-6,729,267.98	4,713,661.51
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	8,300.00	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	8,300.00	68,870.00
Cash paid for purchasing fixed, intangible and other long-term assets	13,741,025.28	12,723,946.92
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	13,741,025.28	12,723,946.92
Net cash flows arising from investing activities	-13,732,725.28	-12,655,076.92
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	19,791,474.22	
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	19,791,474.22	
Cash paid for settling debts	3,299,238.76	
Cash paid for dividend and profit distributing or interest paying	528,722.34	
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		



Subtotal of cash outflow from financing activities	3,827,961.10	
Net cash flows arising from financing activities	15,963,513.12	
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-4,498,480.14	-7,941,415.41
Add: Balance of cash and cash equivalents at the period -begin	7,422,939.89	15,364,355.30
VI. Balance of cash and cash equivalents at the period -end	2,924,459.75	7,422,939.89

6. Cash flow statement of parent Company

In RMB

Item	2020	2019
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	15,291,982.42	27,678,170.32
Write-back of tax received		
Other cash received concerning operating activities	954,731.05	2,238,801.00
Subtotal of cash inflow arising from operating activities	16,246,713.47	29,916,971.32
Cash paid for purchasing commodities and receiving labor service	8,610,462.77	7,564,247.62
Cash paid to/for staff and workers	11,285,378.24	12,622,537.61
Taxes paid	778,385.12	1,725,491.14
Other cash paid concerning operating activities	2,301,253.51	3,292,221.17
Subtotal of cash outflow arising from operating activities	22,975,479.64	25,204,497.54
Net cash flows arising from operating activities	-6,728,766.17	4,712,473.78
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	8,300.00	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	8,300.00	68,870.00
Cash paid for purchasing fixed, intangible and other long-term assets	13,741,025.28	12,723,946.92
Cash paid for investment		



Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	13,741,025.28	12,723,946.92
Net cash flows arising from investing activities	-13,732,725.28	-12,655,076.92
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	19,791,474.22	
Other cash received concerning financing activities		500,000.00
Subtotal of cash inflow from financing activities	19,791,474.22	500,000.00
Cash paid for settling debts	3,299,238.76	
Cash paid for dividend and profit distributing or interest paying	528,722.34	
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	3,827,961.10	
Net cash flows arising from financing activities	15,963,513.12	500,000.00
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	-4,497,978.33	-7,442,603.14
Add: Balance of cash and cash equivalents at the period -begin	7,421,452.59	14,864,055.73
VI. Balance of cash and cash equivalents at the period -end	2,923,474.26	7,421,452.59

7. Consolidate change of owners' equity

Current period

In RMB

Item	2020										
	Owners' equity attributable to the parent Company									M i n o r i t y i n t e r e s t s	Total owners' equity
	Share capital	Other equity instrument	Capital reserve	Less: Inventory shares	Other comprehensive income	Reserves	Provision of general reserve	Retained profit	Other		

[illegible]

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						-351,324,135.02		66,918,714.99		66,918,714.99

Last Period

In RMB

Item	2019													
	Owners' equity attributable to the parent Company										Minority interests	Total owners' equity		
	Share capital	P r e f e r e d s	P r e m i a l s	O t h e r c	Capital public reserve	L e s s : I n v e n t o r y	O t h e r n o n c o n t r o l l e d e n t i f i	R e t e n u e d p r o f i t	S u b s i d i a r i e s P r o v i d e n c e o f e	Retained profit	o t h e r	Subtotal		



		t o c k	a p i t a l		s h a r e s	s i v e	r e s e r v e	n e r a l			
			s e c u r i t i e s			i n c o m e		r i s k			
I. Balance at the end of the last year	364,100,000.00			54,142,850.01				-340,454,153.72	77,788,696.29	77,788,696.29	
Add: Changes of accounting policy								-58,813.79	-58,813.79	-58,813.79	
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			54,142,850.01				-340,512,967.51	77,729,882.50	77,729,882.50	
III. Increase/ Decrease in this year (Decrease is listed with "-")								756,721.46	756,721.46	756,721.46	
(i) Total comprehensive income								756,721.46	756,721.46	756,721.46	
(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						-339,756,246.05		78,486,603.96		78,486,603.96		

8. Change of owners' equity of parent company

Current period

In RMB

[illegible]



Other									
II. Balance at the beginning of this year	364,100,000.00			54,142,850.01				-339,757,154.25	78,485,695.76
III. Increase/ Decrease in this year (Decrease is listed with "-")								-11,567,434.96	-11,567,434.96
(i) Total comprehensive income								-11,567,434.96	-11,567,434.96
(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				-351,324,589.21	66,918,260.80

Last period

In RMB

Item	2019									
	Share capital	Other equity instrument		Capital reserve	Less: Inventory shares	Other comprehensive income	Reservable surplus	Provision of general risk	Other	Total owners' equity
		Preferred stock	Other							



		c u r r e n t i e s							
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

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, 2020, 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.

The financial statements were approved by all directors of the Company for disclosure on April 22, 2021.

ii) Scope to the consolidated financial statements

As at December 31, 2020, the subsidiary included into the Company's scope of consolidated financial statements is as follows:

Subsidiary
Hainan Wengao Tourism Resources Development Co., Ltd. (hereinafter referred to as Wengao Tourism)

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

IV. Basis for the preparation of the financial statements

1.Preparation basis

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 Companies Offering Securities to the Public No.15 - General Requirements for Financial Reports*.

2.Going concern

Due to the influence of COVID-19, the Company suffered a serious decline in annual operating revenue in 2020



and suffered a large amount of losses. However, the current business situation has gradually recovered to normal, and it is expected that the Company's business activities will 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, 2020 as well as operation results and cash flows for the year 2020.

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 (including the goodwill arising from the acquisition of the combinee by the ultimate controller) acquired by the Company in business combinations are measured at book values of assets and liabilities of the combinee 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 under different control: the cost of merger is the fair value of the assets, liabilities incurred or assumed and equity securities issued by the purchaser in order to obtain the control of the purchaser on the purchase date. The difference between the cost of the merger and the share of the fair value of the identifiable net assets acquired by the purchaser in the merger shall be recognized as goodwill; The difference between the merger cost and the share of the fair value of the identifiable net assets acquired by the purchaser in the merger shall be recorded into the profit and loss of the current period. The identifiable assets, liabilities and contingent liabilities



obtained by the purchaser in the merger meeting the recognition conditions shall be measured at fair value on the purchase date.

The expenses directly related to the enterprise merger 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 shall be included in the initial recognized amount of equity securities or debt securities.

6. Preparation methods of consolidated financial statements

6.1 Scope of consolidation

The scope of consolidated financial statements of the Company is determined on the basis of control, and the scope of consolidated financial statements shall be including the Company and all its subsidiaries.

6.2 Procedures of consolidation

The Company regards the whole enterprise group as an accounting subject and prepares consolidated financial statements in accordance with the unified accounting policy, reflecting the overall financial situation, operating results and cash flow of the enterprise group. The Company and subsidiaries, subsidiaries between the impact of internal transactions to offset. If the internal transaction indicates that the relevant assets have impairment losses, the full recognition of this part of the loss. If the accounting policy adopted by the subsidiary company and the accounting period are inconsistent with the company, the necessary adjustments shall be made in accordance with the Company's accounting policy and accounting period when preparing the consolidated financial statements.

The owner's equity of the subsidiary, the current net profit and loss and the share of the minority shareholders in the current comprehensive income are listed separately under the owner's equity item in the consolidated balance sheet, the net profit item in the consolidated profit table and the total comprehensive income item in the consolidated profit table. The current loss shared by the minority shareholders of the subsidiary exceeds the balance formed by the minority shareholders' share in the initial owner's equity of the subsidiary, thus reducing the equity of several shareholders.

(1) Increase of subsidiaries or business

During the reporting period, the operating results and cash flows of the subsidiary or business from consolidation period to the end of the reporting period shall be included in the consolidated financial statements as a result of the merger of the subsidiary or business under the same control.

Where the investor under the same control can be controlled for reasons such as additional investment, the equity investment held prior to the acquisition of control by the merged party has been recognized as relevant gains and losses, other consolidated income and other net assets changes between the date of acquisition of the original equity and the date of the merger and the date of the merger.

During the reporting period, the consolidated financial statements shall be incorporated into the consolidated financial statements on the basis of the fair value of identifiable assets, liabilities and contingent liabilities as



determined on the date of purchase, as a result of the consolidation of subsidiaries or businesses under the same control.

If, for reasons such as additional investment, the investor under the same control can be controlled, the equity of the buyer held before the date of purchase shall be remeasured according to the fair value of the equity on the date of purchase. The difference between fair value and book value is included in current investment income. Other comprehensive income and other changes in owner's equity under equity method accounting which can be re-classified into profit and loss after the share of the buyer held before the purchase date are converted into the current investment income of the purchase date.

(2) Disposal of subsidiaries

① General method of treatment

When the control right of the investor is lost due to the disposal of part of the equity investment or other reasons, the remaining equity investment after disposal shall be remeasured according to its fair value on the date of loss of control. The sum of the consideration obtained by the disposal equity and the fair value of the remaining equity, less the difference between the share of the net assets and the sum of goodwill that should be continuously calculated by the original subsidiary from the date of purchase or the date of merger, and the investment income in the current period of loss of control. Other comprehensive income related to the equity investment of the original subsidiary company and other owner's equity changes under the accounting of equity method, which can be reclassified into profit and loss, are converted into current investment income when losing control right.

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 transaction:

- 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.

If each transaction is a package transaction, the transaction shall be treated as a transaction dealing with the subsidiary and losing control. Before the loss of control, the difference between the disposal price and the share of the net assets of the subsidiary corresponding to the disposal investment shall be recognized as other consolidated income in the consolidated financial statements and transferred to the gains and losses of the current period of loss of control when the control is lost.

If each transaction is not a package transaction, prior to the loss of control, the equity investment of the subsidiary



shall be partially disposed of without loss of control; in the event of loss of control, Accounting treatment shall be carried out according to the general treatment method of the disposal subsidiary.

(3) Purchase of minority interest of subsidiaries

Adjust the equity premium in the capital reserve in the consolidated balance sheet, if the equity premium in the capital reserve is insufficient to reduce the equity premium in the capital reserve, adjust the retained earnings.

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

The difference between the disposal price and the disposal of long-term equity investment shall enjoy the share of net assets continuously calculated by the subsidiary from the date of purchase or merger, and adjust the equity premium in the capital reserve in the consolidated balance sheet. If the equity premium in the capital reserve is insufficient, the retained earnings shall be adjusted.

7. Classification of joint venture arrangements and accounting treatment for joint ventures

The joint venture arrangement is divided into joint operation and joint venture.

Joint operation refers to the joint venture arrangement in which the joint venture party enjoys the assets related to the arrangement and bears the liabilities related to the arrangement.

The Company confirms the following items relating to the share of interests in joint operations:

- (1) To recognize the assets held separately by the Company and the assets held jointly in accordance with its share;;
- (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.

The company's investment in the joint venture using equity method accounting, see this note "III.(13) Long-term equity investment".

8. Recognition criteria of cash and cash equivalents

In preparing the statement of cash flows, cash on hand and deposits that can be used for payment at any time are recognized as cash. An investment that has four conditions: short duration (due within three months from the date of purchase), strong liquidity, easy conversion to known cash and low risk of change in value is identified as a cash equivalent.

9. Foreign currency business and statement translation

Foreign currency business uses the spot exchange rate on the date of transaction as the conversion rate to convert



the foreign currency amount into RMB.

The balance of foreign currency monetary items on the balance sheet date is converted at the spot exchange rate on the balance sheet date, and the resulting exchange difference, Except for foreign currency special loans related to the purchase and construction of assets that meet the capitalization conditions, the exchange difference is recorded into the current profit and loss.

10. Financial instruments

When the Company becomes a party to a financial instrument contract, it recognizes a financial asset, financial liability or equity instrument.

Classification of financial instruments

According to the business model of the Company's management of financial assets and the characteristics of the contract cash flow of financial assets, financial assets are classified at the time of initial recognition as: financial assets measured at amortized cost, financial assets measured at fair value and recorded in other comprehensive income and financial assets measured at fair value and recorded in the profits and losses of the current period.

The Company will meet the following conditions and not designated as fair value measurement and its changes into the current profit and loss of financial assets, classified as amortized cost measurement of financial assets:

- The business model is aimed at collecting contract cash flows;
- Contract cash flows are payments only for principal and interest based on outstanding principal amounts.

The Company will also meet the following conditions and is not designated as fair value measurement and its changes into the current profit and loss of financial assets, classified as fair value measurement and its changes into other comprehensive income financial assets (debt instruments):

- The business model targets both the collection of contract cash flows and the sale of the financial asset;
- Contract cash flows are payments only for principal and interest based on outstanding principal amounts.

For non-transactional equity investment, the Company may irrevocably designate it at the time of initial recognition as a financial asset measured at fair value and recorded in other comprehensive income (equity instrument). The designation is made on the basis of a single investment, and the relevant investment conforms to the definition of equity instruments from the issuer's point of view.

In addition to the above financial assets measured at amortized cost and at fair value and recorded in other comprehensive income, The Company classifies all remaining financial assets as financial assets measured at fair value and recorded in the profits and losses of the current period. At the time of initial recognition, if accounting mismatches can be eliminated or significantly reduced, The Company may irrevocably designate financial assets that should be classified as amortized cost or measured at fair value and whose changes are included in other comprehensive income as financial assets measured at fair value and recorded in the profits and losses of the



current period.

Financial liabilities are classified at the time of initial recognition as: financial liabilities measured at fair value and recorded in current profits and losses and financial liabilities measured at amortized cost.

Financial liabilities that meet one of the following conditions may be designated at the time of initial measurement as financial liabilities measured at fair value and whose changes are recorded into the profits and losses of the current period:

- 1) this designation can eliminate or significantly reduce accounting mismatches.
- 2) manage and evaluate the financial liability portfolio or financial assets and financial liabilities portfolio on the basis of fair value according to the enterprise risk management or investment strategy specified in the official written document, And report to key managers on this basis within the enterprise.
- 3) the financial liability contains embedded derivatives that need to be split separately.

Recognition basis and measurement method of financial instruments

(1) Financial assets measured at amortized costs

Financial assets measured at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, creditor's rights investment, etc., are initially measured at fair value, and the related transaction costs are included in the initial recognition amount; Accounts receivable that do not contain significant financing components and accounts receivable that the Company has decided not to consider financing components for more than one year are initially measured at the contract transaction price.

Interest calculated by the real interest rate method during the holding period is recorded into the current profit and loss.

Upon recovery or disposal, the difference between the obtained price and the book value of the financial asset is recorded into the current profit or loss.

(2) Financial assets (debt instruments) measured at fair value and whose changes are included in other comprehensive income

Financial assets (debt instruments) measured at fair value and whose changes are included in other comprehensive income, including receivables financing, other debt investments, etc., shall be measured at fair value, and the relevant transaction costs shall be included in the initial recognized amount. The financial asset is subsequently measured at fair value, and changes in fair value are included in other comprehensive gains and losses except interest, impairment losses or gains and gains and exchange gains calculated using the real interest rate method.

Upon termination of recognition, the accumulated gains or losses previously recorded in other comprehensive



income shall be transferred from other comprehensive income and recorded in the current profits and losses.

(3) Financial assets (equity instruments) measured at fair value and whose changes are included in other consolidated income

Financial assets (equity instruments) measured at fair value and whose changes are included in other comprehensive income, including investments in other equity instruments, shall be initially measured at fair value, and relevant transaction costs shall be included in the initial recognized amount. The financial assets are measured according to the fair value, and whose changes of the fair value are included in other comprehensive income. The dividends obtained are recorded in the current profits and losses.

Upon termination of recognition, accumulated gains or losses previously recorded in other comprehensive earnings are transferred from other comprehensive earnings and recorded in retained earnings.

(4) Financial assets measured at fair value and whose changes are included in the current profits and losses

Financial assets measured at fair value and whose changes are included in the current profits and losses, including trading financial assets, derivative financial assets, other non-current financial assets, etc., shall be measured at fair value, and the relevant transaction expenses shall be included in the current profits and losses. The financial assets are measured at fair value, and changes in fair value are included in the current profit and loss.

(5) Financial liabilities measured at fair value and whose changes are included in the current profit and loss

Financial liabilities measured at fair value and whose changes are included in the current profits and losses include transactional financial liabilities and derivative financial liabilities, which are initially measured at fair value, and the relevant transaction expenses are included in the current profit and loss. The financial liability is measured at fair value, and changes in fair value are included in the current profit and loss.

Upon termination of recognition, the difference between the book value and the consideration price is recorded in the current profits and losses.

(6) Financial liabilities measured at amortization costs

Financial liabilities measured at amortization costs include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, long-term payables, and shall be initially measured at fair value, and related transaction costs are included in the initial recognized amount.

The interest calculated using the actual interest rate method during the holding period is included in the current profits and losses.

Upon termination of recognition, the difference between the consideration price and the book value of the



financial liability shall be recorded in the current profits and losses.

Financial asset termination recognition and financial asset transfer

Upon meeting one of the following conditions, the Company terminates the recognition of financial assets:

- Termination of contractual rights to collect cash flows from financial assets;
- Financial assets have been transferred and almost all risks and rewards of ownership of financial assets have been transferred to the transferring party;
- Financial assets have been transferred and although the Company has neither transferred nor retained almost all risks and rewards in the ownership of financial assets, it has not retained control over financial assets.

In the event of a transfer of financial assets, if almost all risks and rewards in the ownership of financial assets are retained, the recognition of the financial assets shall not be terminated.

In judging whether the transfer of financial assets meets the above conditions for the termination of financial assets, the principle of substance over form is adopted.

The company distinguishes the transfer of financial assets into the overall transfer of financial assets and partial transfer. If the transfer of financial assets as a whole meets the conditions for termination of recognition, the difference between the following two amounts shall be recorded into the profits and losses of the current period:

- (1) The carrying value of the financial assets transferred;
- (2) The sum of the consideration received as a result of the transfer and the cumulative amount of the change in fair value that was originally directly included in the owner's equity (where the financial assets involved in the transfer are financial assets (debt instruments) measured at fair value and whose changes are included in other consolidated income.

If the partial transfer of financial assets meets the conditions for termination of recognition, the book value of the transferred financial assets as a whole shall be apportioned according to their relative fair value between the termination of recognition and the non-termination of recognition, The difference between the following two amounts shall be recorded into the profits and losses of the current period:

- (1) To terminate the carrying value of the recognized portion;
- (2) The consideration of the termination of the recognition portion corresponds to the sum of the amount of the termination of the recognition portion (where the transferred financial assets are financial assets (debt instruments) measured at fair value and whose changes are included in other consolidated income) in the cumulative amount of the change in fair value originally directly included in the owner's equity.

If the transfer of financial assets does not meet the conditions for termination of recognition, the financial asset shall continue to be recognized, and the consideration received shall be recognized as a financial liability.

**De-recognition 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.

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.

Test method and accounting treatment for impairment of financial assets

The Company considers all reasonable and based information, including forward-looking information, estimate the expected credit loss of financial assets measured at amortized cost and financial assets (debt instruments) measured at fair value and recorded in other consolidated income in a single or combined manner. The measurement of expected credit loss depends on whether credit risk increases significantly after initial recognition of financial assets.

If the credit risk of the financial instrument has increased significantly since the initial confirmation, the Company



measures its loss preparation at the amount equivalent to the expected credit loss of the financial instrument for the whole life of the financial instrument; If the credit risk of the financial instrument has not increased significantly since the initial confirmation, the Company measures its loss preparation at the amount equivalent to the expected credit loss of the financial instrument for the next 12 months. The resulting increase or reversal of loss preparation shall be recorded as impairment loss or gain in the current profit or loss.

Usually more than 30 days overdue, the Company believes that the credit risk of the financial instrument has increased significantly, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since the initial confirmation.

If the credit risk of a 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 a financial asset has been devalued, the Company shall make provision for the impairment of the financial asset on a single basis.

11. Note receivable

Consistent with the accounting policy of account receivable

12. Account receivable

For accounts receivable, whether or not it contains significant financing elements, the Company is prepared to measure losses in accordance with the expected credit loss for the entire life span. For the existence of objective evidence to show the existence of impairment, as well as other accounts receivable applicable to the individual evaluation of the impairment test, to confirm the expected credit loss, the provision for individual impairment. For accounts receivable without objective evidence of impairment or when a single financial asset is unable to assess the expected credit loss at reasonable cost, the company divides the accounts receivable into several combinations according to the characteristics of credit risk. The basis for determining the combination 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.

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

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.

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	Other Account 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. Inventory

Classification of inventories and cost

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

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.

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

On the balance sheet date, inventory should be measured according to the lower cost and net realizable value. When the inventory cost is higher than its net realizable value, it shall be prepared to raise the inventory price. Net realizable value refers to the estimated selling price of inventory in daily activities minus the estimated cost to be incurred at the time of completion, the estimated sales expenses and the amount of related taxes and fees.

Inventory of goods directly used for sale, such as finished goods, goods in stock and materials used for sale, to determine the net realizable value in the normal course of production and operation at the estimated selling price of the inventory minus the estimated sales expenses and related taxes; inventory of materials requiring processing to determine the net realizable value in the normal course of production and operation at the estimated selling price of the finished product minus the estimated costs to be incurred at the time of completion, estimated sales expenses and related taxes; The net realizable value of inventory held for the execution of a sales contract or a labor contract is calculated on the basis of the contract price. If the quantity of inventory held is more than the quantity ordered in the sales contract, The net realizable value of excess inventory is calculated on the basis of general sales price.

If the factors affecting the previous write-down of inventory value have disappeared, resulting in the net realizable value of inventory being higher than its book value, it shall be reversed within the reserve amount of the original inventory falling price, and the amount transferred back shall be recorded into the profits and losses of the current period.

Inventory system

Perpetual inventory system is adopted.

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

Accounting policies effective 1 January 2020

Methods and criteria for the recognition of contract assets

The Company lists contract assets or contractual liabilities in the balance sheet according to the relationship between performance obligations and customer payments. The Company's right to receive consideration (and depends on factors other than the passage of time) for the transfer of goods or services to customers is listed as a



contract asset. Contract assets and contractual liabilities under the same contract are shown in net terms. The Company's right to collect consideration from customers unconditionally (depending on the passage of time only) is shown separately as receivables.

Methods of determining expected credit loss of contract assets and accounting treatment

The method of determining the expected credit loss of the contract assets and the method of accounting treatment are detailed in the test method and accounting treatment method of the impairment of the financial assets in note III(10).6. Test methods and accounting treatment for impairment of financial assets"

17. Contract costs

Accounting policies effective 1 January 2020

Contract cost includes contract performance cost and contract acquisition cost.

If the costs incurred by the Company for the performance of the contract do not fall within the scope of the relevant standards, such as inventory, fixed assets or intangible assets, it shall be recognized as an asset as the contract performance cost when the following conditions are met:

- The cost is directly related to a current or expected contract.
- This cost increases the company's future resources for performance obligations.
- The cost is expected to be recovered.

If the incremental cost incurred by the Company in order to obtain the contract is expected to be recovered, it shall be recognized as an asset as the contract acquisition cost.

The assets related to the contract cost shall be amortized on the same basis as the recognition of the goods or services income related to the asset; However, if the amortization period of the contract acquisition cost does not exceed one year, the Company shall account for the profits and losses of the current period at the time of occurrence

If the book value of the assets related to the contract cost is higher than the difference between the following two items, the Company shall make provision for the impairment of the excess part and shall confirm the impairment loss of the assets:

- 1) The remaining consideration is expected to be obtained as a result of the transfer of goods or services related to the asset;
- 2) Estimated costs to be incurred for the transfer of the relevant goods or services.

If the above-mentioned difference is higher than the book value of the asset, the company shall return the original impairment provision and account for the profits and losses of the current period. However, the book value of the transferred assets does not exceed the book value of the assets on the date of return.

**18. Assets holding for Sale****19. Investment in debt obligations****20. Other investment in debt obligations****21. Long-term account receivable****22. Long-term equity investment****Judgment criteria for joint control and significant influence**

Common control refers to the common control of an arrangement according to the relevant agreement, and the related activities of the arrangement must be agreed by the participants who share the control right before they can make decisions. If the company, together with other partners, exercises joint control over the invested unit and has the right to the net assets of the invested unit, the invested unit shall be the joint venture of the company.

Major influence refers to the power to participate in the decision-making of the financial and business decisions of the invested units, but it cannot control or jointly control the formulation of these policies with other parties. If the Company can exert great influence on the invested unit, the invested unit shall be a joint venture of the company.

Determination of initial investment cost**(1) Long-term equity investments resulting from merger**

For the long-term equity investment of the subsidiary formed by the merger under the same control, the initial investment cost of the long-term equity investment is based on the share of the book value of the owner's equity of the merged party in the consolidated financial statements of the final controlling party on the merger date. The difference between the initial investment cost of long-term equity investment and the book value of payment consideration is adjusted to adjust the equity premium in the capital reserve; when the equity premium in the capital reserve is insufficient, the retained earnings are adjusted. If the initial investment cost of the long-term equity investment recognized in accordance with the above principles is the difference between the book value of the long-term equity investment before the merger and the book value of the new consideration of the shares further obtained on the date of the merger, the equity premium is adjusted, and the retained earnings are reduced.

For the long-term equity investment of subsidiaries formed by the merger of enterprises under the same control, the combined cost determined on the purchase date is taken as the initial investment cost of the long-term equity investment. If the invested unit under the same control can be controlled due to additional investment and other reasons, the initial investment cost shall be taken as the sum of the original equity investment book value plus the new investment cost.

(2) Long-term equity investments obtained by means other than merger

Long-term equity investments obtained by cash payment are based on the actual purchase price as the initial investment cost.



The long-term equity investment obtained by issuing equity securities shall be regarded as the initial investment cost according to the fair value of issuing equity securities.

Subsequent measurements and recognition of profit or loss

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

The Company's long-term equity investment in subsidiaries is accounted for by cost method unless the investment meets the conditions for holding for sale. In addition to the actual payment of the investment or the declared but not yet issued cash dividends or profits contained in the consideration, the company shall recognize the current investment income in accordance with the cash dividend or profit declared by the invested unit.

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

The long-term equity investment of joint venture and joint venture shall be accounted by equity method. When the initial investment cost is greater than the investment, it should enjoy the difference of the fair value share of the identifiable net assets of the invested unit, and not adjust the initial investment cost of the long-term equity investment.

The Company shall recognize the investment income and other combined income according to the net profit and loss realized by the invested unit and the share of other combined income, and adjust the book value of the long-term equity investment.

When recognizing the share of the net profit and loss of the invested unit, other comprehensive income and other owner's equity changes, it shall be based on the fair value of the identifiable net assets of the invested unit at the time of obtaining the investment, and shall be confirmed after adjusting the net profit and other comprehensive income of the invested unit in accordance with the accounting policy and accounting period of the company.

The unrealized internal transaction gains and losses between the Company and the joint venture and the joint venture shall be offset by the portion attributable to the Company calculated in proportion to the amount to be enjoyed, and the investment income shall be recognized on this basis, except where the assets invested or sold constitute business. If the unrealized internal transaction loss with the invested unit belongs to the impairment loss of assets, the full amount shall be confirmed.

The net loss of a company to a joint venture or a joint venture shall, in addition to the obligation to bear additional losses, be reduced to zero by the book value of the long-term equity investment and other long-term interests that essentially constitute the net investment in the joint venture or joint venture. If the joint venture or joint venture realizes net profit after the joint venture or joint venture, the Company shall restore the confirmed income sharing amount after the income sharing amount makes up for the unrecognized loss share amount.

(3) Disposal of long-term equity investments

Disposal of long-term equity investment, its book value and the actual acquisition price difference is accounted into the current profit and loss.



Where long-term equity investment accounted by part of the disposal equity method is still accounted for by the equity method, the other comprehensive income recognized by the original equity method is carried forward according to the corresponding proportion on the same basis as the assets or liabilities directly disposed of by the invested unit, and the other owner's equity changes are transferred to the current profit and loss proportionally.

If the joint control or significant influence on the invested unit has been lost due to the disposal of equity investment, other comprehensive income recognized by the original equity investment due to the use of equity accounting shall be treated on the same basis as the direct disposal of related assets or liabilities by the invested unit.

Where the control of the invested unit has been lost due to the disposal of part of the equity investment and other reasons, when preparing the individual financial statements, the remaining equity can be jointly controlled or significantly affected by the invested unit, and shall be accounted for according to the equity method, and adjusted by equity method accounting when the remaining equity is regarded as acquired. Other comprehensive income recognized prior to obtaining the control of the invested unit shall be carried forward proportionally on the same basis as the assets or liabilities directly disposed of by the invested unit, and transferred to the profits and losses of the current period due to the changes in other owners' equity recognized by equity method accounting; If the surplus equity cannot exercise joint control or exert significant influence on the invested unit, it shall be recognized as a financial asset, and the difference between the fair value and the book value on the date of loss of control shall be recorded into the profits and losses of the current period.

Where the subsidiary equity investment is disposed of step by step through multiple transactions until the loss of control is a package transaction, each transaction is treated as a transaction that disposes of the subsidiary equity investment and loses control. If it is not a package transaction, each transaction shall be treated separately.

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 subsequent expenditure related to investment real estate is included in the cost of investment real estate when the relevant economic benefits are likely to flow in and its cost can be reliably measured; otherwise, it is recorded into the profits and losses of the current period when it occurs

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.

Fixed assets are initially measured at cost, taking into account the impact of expected disposal costs.

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the economic benefits associated with them are likely to flow in and their costs can be reliably measured; for the replaced part, the book value is terminated; All other subsequent expenditures are recorded at the time of occurrence into the current profit or loss

(2) Depreciation method

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		8	5%	11.87%

Depreciation of fixed assets is classified by the method of average life, and the depreciation rate is determined according to the category of fixed assets, the expected useful life and the estimated net residual value rate. For the fixed assets with impairment provisions, the depreciation amount shall be determined in the future period according to the book value after deducting the impairment preparation and according to the useful life. If the service life of each component of fixed assets is different or the economic benefits are provided to the enterprise in different ways, different depreciation rates or depreciation methods are selected to calculate depreciation separately.

The fixed assets leased by financial lease adopt depreciation policy consistent with their own fixed assets. If it can



reasonably determine that ownership of the leased assets will be acquired at the expiration of the lease term, depreciation shall be calculated within the useful life of the leased assets; if it is impossible to reasonably determine the ownership of the leased assets at the expiration of the lease term, Depreciation is calculated within a shorter period of the lease term and the useful life of the leased assets.

(3) Identification basis, valuation method and depreciation of the financing leased fixed 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;
- 5) The leased assets are of a special nature and can only be used by the lessee if they are not substantially modified

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

Recognition principles of capitalization of borrowing costs

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.

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.

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.

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.

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.

Calculation method of capitalization amount of borrowing costs

For special loans borrowed for the purchase or production of assets that meet the capitalization conditions, the borrowing costs actually incurred in the current period shall be specially borrowed, less the amount of interest income earned by the unused loan funds deposited in the bank or investment income obtained by temporary investment to determine the capitalized amount of the borrowing costs.

For a general loan occupied for the purchase or production of assets that meet the capitalization conditions, the amount of borrowing expenses to be capitalized shall be calculated according to the weighted average of the cumulative asset expenditure exceeding the part of the special loan multiplied by the capitalization rate of the general loan occupied. The capitalization rate is determined by the weighted average real interest rate of the general loan.



During the capitalization period, the exchange difference between the principal and interest of the foreign currency special loan shall be capitalized and included in the cost of the assets eligible for capitalization. The exchange difference between the principal and interest of foreign currency loans other than foreign currency special loans is recorded into the current profit and loss.

27. Biological assets: Nil 28. Oil-and-gas assets: Nil

29. Right-of-use assets: Nil

30. Intangible assets

(1) Measurement method, useful lives and impairment testing

1) Measurement of intangible assets

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.

2) 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

3) Determination basis of intangible assets with indefinite useful lives

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

Intangible assets with definite useful lives shall be amortized 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.

As at the balance sheet date, the Company had no intangible assets with indefinite useful life.

(2) Accounting policy of internal R&D expenditures

31. Long-term assets impairment

Long-term equity investment, investment real estate measured by cost model, fixed assets, construction projects in progress, intangible assets with limited useful life, oil and gas assets and other long-term assets, if there are signs



of impairment on the balance sheet date, carry out impairment tests. If the impairment test results show that the recoverable amount of the asset is lower than its book value, the impairment provision shall be made according to its difference and included in the impairment loss. The recoverable amount is the higher between the fair value of the asset minus the disposal cost and the present value of the expected future cash flow of the asset. The asset impairment provision is calculated and confirmed on the basis of a single asset. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group is determined by the asset group to which the asset belongs. The asset group is the smallest portfolio that can independently generate cash inflows.

For the goodwill formed by the merger of the enterprise, the intangible assets with uncertain service life, and the intangible assets that have not reached the usable state, whether or not there are signs of impairment, at least at the end of each year, the impairment test is carried out.

The Company conducts a goodwill impairment test, and the carrying value of the goodwill formed by the business merger shall be allocated to the relevant asset groups in a reasonable manner from the date of purchase; If it is difficult to apportion to the relevant asset group, it shall be apportioned to the relevant asset group combination. The relevant asset group or combination of asset groups is the asset group or combination of asset groups that can benefit from the synergies of the enterprise merger.

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. And goodwill of the asset group or combination of group assets impairment test, comparing its book value and recoverable amount, such as the recoverable amount is lower than the book value, the amount of impairment loss first deduction allocation to the asset group or combination of group assets in the book value of the goodwill, according to the asset group or combination of group assets all assets except goodwill in the book value of the proportion, the book value of the assets in proportion to offset each other. Once the above assets impairment loss is recognized, it will not be carried back in future accounting periods.

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.

Amortization method

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

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
B Building Renovation Project	5 years
Landscape reconstruction	5 years
Staff quarters renovation	5 years
Villa renovation	5 years
Swimming pool renovation, Pavement modification projects	5 years
Roof waterproofing projects	5 years

33.Contractual liabilities

Accounting policies effective 1 January 2020

The Company lists contract assets or contractual liabilities in the balance sheet according to the relationship between performance obligations and customer payments. The Company's obligations to transfer goods or provide services to customers that have received or receivable customer consideration are listed as contractual liabilities. Contract assets and contractual liabilities under the same contract are shown in net terms.

34.Employee compensation

(1) Short-term compensation

During the accounting period in which employees provide service to the Company, the short-term remuneration actually incurred is recognized as liabilities and included into the current profit or loss or the assets-related cost.

The social insurance premium and the housing provident fund paid by the Company for its employees, together with the labor union expenditures and employee education drew as required are used to calculate and determine the relevant employee compensation amount based on the prescribed accrual basis and accrual proportion during the accounting period in which the employees provide services to the Company.

The employee welfare expenses incurred by the Company shall be recorded into the current profit or loss or related asset cost according to the actual amount incurred at the time of actual occurrence, in which the non-monetary benefits shall be measured at fair value.



(2) Dismissal welfare

1) Defined contribution plans

The Company shall pay basic old-age insurance and unemployment insurance for its employees in accordance with the relevant regulations of the local government. During the accounting period in which the employees provide services to the Company, the amount to be paid shall be calculated on the basis and proportion of the local regulations. In addition, the Company also participated in the enterprise annuity plan / supplementary pension insurance fund approved by the relevant state departments. The Company pays to the annuity plan / local social insurance institution according to a certain proportion of the total salary of the staff and workers, and the corresponding expenses are included in the current profit or loss or the 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) Post-employment benefits**

If the Company provides dismissal benefits to employees, the employee's salary liabilities arising from the dismissal benefits shall be recognized at an early date, and shall be included in the profits and losses of the current period. When the Company cannot unilaterally withdraw the dismissal benefits provided by the termination of the labor relations plan or the reduction proposal; When the company recognizes the costs or expenses associated with the reorganization involving the payment of dismissal benefits.

(4) Accounting method for other long-term employee welfare**35. Lease liability****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.

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.

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

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

39. Revenue

Accounting policies used for revenue recognition and measurement

Accounting policies effective 1 January 2020

Accounting policies used for revenue recognition and measurement

The Company has fulfilled its performance obligation in the contract, that is, to recognize revenue when the customer acquires control of the relevant goods or services. Access to control of related goods or services means that it can dominate the use of the goods or services and obtain almost all the economic benefits from them.

If the contract contains two or more performance obligations, the Company shall, on the commencement date of the contract, apportion the transaction price to each individual performance obligation in accordance with the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation. The Company measures its income according to the transaction price apportioned to each individual performance obligation.

Transaction price refers to the amount of consideration that the company is expected to be entitled to receive for the transfer of goods or services to customers, excluding the amount collected on behalf of third parties and the amount expected to be returned to customers. The Company according to the terms of the contract, combined with its previous practice to determine the transaction price, and in determining the transaction price, consider the variable consideration, the major financing components existing in the contract, non-cash consideration, payable customer consideration and other factors. The Company shall determine the transaction price containing variable consideration at a amount not exceeding the amount of the cumulative recognized income most likely not to be significantly reversed when the relevant uncertainty is eliminated. If there is a significant financing component in the contract, the Company shall determine the transaction price in accordance with the amount payable in cash upon the assumption that the customer acquires control of the goods or services, the difference between the transaction price and the contract consideration shall be amortized by the real interest rate method during the contract period.

If one of the following conditions is met, the performance obligation shall be fulfilled within a certain period of time; otherwise, the performance obligation shall be fulfilled at a certain time:



- The customer acquires and consumes the economic benefits of the Company's performance at the same time.
- The customer can control the goods under construction during the performance of the Company.
- The goods produced in the course of the Company's performance have irreplaceable uses, and the Company has the right to collect money for the cumulative performance portion completed so far throughout the contract period.

For performance obligations performed within a certain period of time, the Company shall recognize the income according to the performance schedule within that period, except where the performance schedule cannot be reasonably determined. The Company considers the nature of goods or services, using the output method or input method to determine the progress of performance. When the performance schedule cannot be reasonably determined, the cost that has been incurred is expected to be compensated, and the company recognizes the income according to the cost amount that has been incurred until the performance schedule can be reasonably determined.

For performance obligations at a certain point, the Company recognizes revenue at the time when the customer acquires control of the relevant goods or services. In determining whether the customer has obtained control over the goods or services, the Company considers the following signs:

- The Company has the right to collect the goods or services, that is, the customer has the current obligation to pay for the goods or services.
- The Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods.
- The Company has transferred the goods to customers, that is, customers have physical possession of the goods.
- The Company has transferred the main risk and reward in the ownership of the commodity to the customer, that is, the customer has obtained the main risk and reward in the ownership of the commodity.
- The customer has accepted the goods or services, etc.

Specific principles for revenue recognition

Hotel business revenue sources include guest rooms, catering, merchandise sales, entertainment services and so on. Revenue from guest rooms, catering and entertainment services is recognized at the end of the service, and revenue from the sale of goods is recognized as revenue when the control of the goods is transferred to the customer, that is, when the goods are delivered to the customer and there is no non-performance obligation affecting the customer's receipt of the goods.

Differences in accounting policies for revenue recognition due to the different operating models for the same type of business : Nil



40. Government grants

41. Deferred tax assets and deferred tax liabilities

Income tax includes current income tax and deferred income tax. In addition to the income tax arising from the merger of the enterprise and the transactions or events directly included in the owner's equity (including other comprehensive income), the company shall include the current income tax and deferred income tax into the profits and losses of the current period.

Deferred income tax assets and deferred income tax liabilities are recognized on the basis of the difference (temporary difference) between the tax basis of assets and liabilities and their book value.

For deductible temporary difference recognition deferred income tax assets, the amount of taxable income that is likely to be obtained in future periods to offset deductible temporary differences is limited. For deductible losses and tax credits that can be carried forward for subsequent years, the corresponding deferred income tax assets are recognized to the extent that the future taxable income that is likely to be used to offset deductible losses and tax credits is obtained.

For taxable temporary differences, deferred income tax liabilities are recognized except in special cases.

Special cases where deferred income tax assets or deferred income tax liabilities are not recognized include:

- Initial recognition of goodwill;
- A transaction or event that is neither a merger of an enterprise nor an event that affects the accounting profit or taxable income (or deductible loss) at the time of its occurrence.

The deferred income tax liability is recognized for taxable temporary differences related to the investment of subsidiaries, associated enterprises and joint ventures unless the Company can control the time when the temporary difference is reversed and the temporary difference is likely not to be reversed in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences related to the investment of subsidiaries, associated enterprises and joint ventures when the temporary differences are likely to be reversed in the foreseeable future and are likely to receive taxable income in the future to offset deductible temporary differences.

On the balance sheet date, for deferred income tax assets and deferred income tax liabilities, according to the provisions of the tax law, according to the expected recovery of related assets or liquidation of related liabilities during the applicable tax rate measurement.

On the balance sheet date, the company reviews the book value of deferred income tax assets. If the future period is likely to be unable to obtain sufficient taxable income to offset the benefits of deferred income tax assets, the book value of deferred income tax assets is written down. Where sufficient taxable income is likely to be obtained, the amount of the write-down is reversed.

The current income tax assets and the current income tax liabilities are reported as net offset when they have the statutory right to settle on a net basis and are intended to settle on a net basis or to obtain assets and liabilities at the same time.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities are shown as net offsets when the following conditions are met:



- The tax payer has the legal right to settle current income tax assets and current income tax liabilities by net;
- Deferred income tax assets and deferred income tax liabilities are related to the income tax levied by the same tax collection and management department on the same tax payer or to different tax payer, but in each future period of transfer of important deferred income tax assets and liabilities, The tax payer intends to net settle current income tax assets and liabilities or obtain assets and liabilities at the same time..

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 lessee, 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: Nil

44.Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

√Applicable □Not applicable

Content of and reason for changes in accounting policies	Procedures for examination and approval	Note
Implementation of Accounting Standards for Business Enterprises No. 14 -- Revenue	Resolution of the Board of Directors	Implementation from 1 January 2020
Implementation of Interpretation of Accounting Standards for Business Enterprises No. 13	Resolution of the Board of Directors	Implementation from 1 January 2020
Implementation of the Interim Provisions on Accounting Treatment for Carbon Emission Trading	Resolution of the Board of Directors	Implementation from 1 January 2020
Implement the COVID-19 Outbreak Related Rental Concession Accounting Rules	Resolution of the Board of Directors	Implementation from 1 January 2020

1) Implement the Accounting Standards for Business Enterprises No. 14 -- Revenue (revised in 2017) (hereinafter referred to as the "new revenue standards")

The Ministry of Finance revised the Accounting Standards for Business Enterprises No. 14 - Revenue in 2017. The revised standard stipulates that the first implementation of the standard should adjust the amount of retained earnings and other related items in the financial statements at the beginning of the year according to the cumulative impact, without adjusting the information for comparable periods.

The Company implement the new revenue standards since January 1, 2020. In accordance with the provisions of the Standards, the Company will only adjust the amount of retained earnings at the beginning of 2020 and other related items in the financial statements for the cumulative impact of contracts that have not been completed at the first execution date, not the comparative financial statements.

The main effects of the implementation of the new revenue guidelines on the Company's January 1, 2020 financial statements are as follows:

Item	31.Dec.2019	Reclassification	Remeasurement	1.Jan.2020
Advances from customers	786,715.42	-786,715.42		



Contractual liabilities		742,184.36		742,184.36
Other current liabilities		44,531.06		44,531.06

Compared with the original revenue standards, the impact of the implementation of the new revenue criteria on the relevant items in the Company's financial statements for the current year is listed below:

Item	Ending balance under the new standards	Adjustment	Balance at the end of the year under the original standards
Advances from customers		-663,862.45	663,862.45
Contractual liabilities	626,285.33	626,285.33	
Other current liabilities	37,577.12	37,577.12	

2) Implementation of Interpretation of Accounting Standards for Business Enterprises No. 13

The Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No. 13 (Finance and Accounting [2019] No. 21, hereinafter referred to as "Interpretation No. 13") on December 10, 2019, which took effect on January 1, 2020 and does not require retroactive adjustment.

① Recognition of the affiliated party

Interpretation No. 13 makes it clear that the following circumstances constitute an affiliated party: a joint venture or joint venture between the enterprise and other members of the enterprise group (including the parent company and subsidiaries); Joint ventures of an enterprise and other joint ventures or associates of an enterprise. In addition, Interpretation No. 13 also makes it clear that only two or more enterprises that are materially affected by one party do not constitute affiliated parties, and adds that joint ventures include joint ventures and their subsidiaries, and joint ventures include joint ventures and their subsidiaries.

② Definition of business

Interpretation No. 13 improves the three elements of business composition, elaborates the judgment conditions of business composition, and introduces the choice of "concentration test" to simplify the judgment of whether a portfolio acquired under different control constitutes business to a certain extent.

The Company has implemented Interpretation No. 13 since January 1, 2020, and the comparative financial statements have not been adjusted. The Company has not implemented Interpretation No. 13, which has had a significant impact on the Company's financial position and operating results

3) Implementation of the Interim Provisions on Accounting Treatment for Carbon Emission Trading

The Ministry of Finance issued the Interim Provisions on Accounting Treatment of Carbon Emission Trading ([2019] No. 22) on December 16, 2019, which is applicable to relevant enterprises of key emitters that carry out carbon emission trading business in accordance with the Interim Measures on the Administration of Carbon Emission Trading and other relevant provisions (hereinafter referred to as key emitters). The regulation will take effect on January 1, 2020, and key emission enterprises should apply the regulation by adopting the future application method.



The Company has implemented this provision since January 1, 2020, and the comparative financial statements are not adjusted. The implementation of this provision has not had a significant impact on the Company's financial position and operating results.

4) Implement the COVID-19 Outbreak Related Rental Concession Accounting Rules

On June 19, 2020, the Ministry of Finance (MOF) issued the Accounting Regulations on the Treatment of Rent Concessions Related to COVID-19 (Finance and Accounting [2020] No. 10), which has come into force on June 19, 2020, allowing enterprises to adjust the relevant rent concessions that occurred between January 1 2020 to the implementation date of this regulation. According to this regulation, enterprises can choose to adopt a simplified method for accounting treatment of rent concessions, such as rent remission and deferred payment, which are directly caused by COVID-19.

The Company has implemented this provision since January 1, 2020, and the comparative financial statements are not adjusted. The implementation of this provision has not had a significant impact on the Company's financial position and operating results.

(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 revenue standards or new leasing standards since 2020

Applicable

Whether to adjust the balance sheet accounts at the beginning of the year

☒Yes ☐No

Consolidated Balance Sheet

In RMB

Item	31 December 2019	1 January 2020	Adjustment
Current assets:			
Monetary funds	7,422,939.89	7,422,939.89	
Balances with clearing companies			
Loans to other banks and financial institutions			
Trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	311,083.92	311,083.92	
Receivables financing			
Advances to suppliers			
Premium receivable			



Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	571,744.52	571,744.52	
Including: Interest receivable			
Dividend receivable			
Financial assets purchased under resale agreements			
Inventory	254,257.19	254,257.19	
Contractual assets			
Assets held for sale			
Non-current assets maturing within one year			
Other current assets	2,574,442.57	2,574,442.57	
Total current assets	11,134,468.09	11,134,468.09	
Non-current assets:			
Disbursement of advances and loans			
Lending investments			
Other lending investments			
Long-term receivables			
Long-term equity investments			
Other equity instruments investments			
Other non-current financial assets			
Investment properties	7,909,956.87	7,909,956.87	
Fixed assets	35,075,195.98	35,075,195.98	
Construction in progress	488,522.10	488,522.10	
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	21,392,861.88	21,392,861.88	
Development expenditures			
Goodwill			
Long-term deferred expenses	11,520,179.33	11,520,179.33	
Deferred income tax assets			
Other non-current assets			



Total non-current assets	76,386,716.16	76,386,716.16	
Total assets	87,521,184.25	87,521,184.25	
Current liabilities:			
Short-term borrowings			
Borrowings from central bank			
Deposit funds			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	1,250,409.75	1,250,409.75	
Advances from customers	786,715.42	786,715.42	
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	2,552,996.37	2,552,996.37	
Taxes and surcharges payable	307,257.85	307,257.85	
Other payable	2,647,515.86	2,647,515.86	
Including: Interest payable			
Dividend payable			
Handling charges and commissions payable			
Reinsurance accounts payable			
Liabilities classified as held for sale			
Non-current liabilities maturing within one year			
Other current liabilities			
Total current liabilities	7,544,895.25	7,544,895.25	
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			
Accrual 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	9,034,580.29	9,034,580.29	
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			
General risk reserves			
Undistributed profit	-339,756,246.05	-339,756,246.05	
Total equity attributable to owners of the parent company	78,486,603.96	78,486,603.96	
Minority equity			
Total owners' equity	78,486,603.96	78,486,603.96	
Total liabilities and owners' equity	87,521,184.25	87,521,184.25	

Explanation on adjustment: nil

Balance sheet of parent company

In RMB



Item	31 December 2019	1 January 2020	Adjustment
Current assets:			
Monetary funds	7,421,452.59	7,421,452.59	
Trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable	311,083.92	311,083.92	
Receivables financing			
Advances to suppliers			
Other receivables	571,744.52	571,744.52	
Including: Interest receivable			
Dividend receivable			
Inventory	254,257.19	254,257.19	
Contractual assets			
Assets held for sale			
Non-current assets maturing within one year			
Other current assets	2,574,442.57	2,574,442.57	
Total current assets	11,132,980.79	11,132,980.79	
Non-current assets:			
Lending investments			
Other lending investments			
Long-term receivables			
Long-term equity investments	1,000,000.00	1,000,000.00	
Other equity instruments investments			
Other non-current financial assets			
Investment properties	7,909,956.87	7,909,956.87	
Fixed assets	35,075,195.98	35,075,195.98	
Construction in progress	488,522.10	488,522.10	
Productive biological assets			



Oil and gas assets			
Right-of-use assets			
Intangible assets	21,392,861.88	21,392,861.88	
Development expenditures			
Goodwill			
Long-term deferred expenses	11,520,179.33	11,520,179.33	
Deferred income tax assets			
Other non-current assets			
Total non-current assets	77,386,716.16	77,386,716.16	
Total assets	88,519,696.95	88,519,696.95	
Current liabilities:			
Short-term borrowings			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	1,250,409.75	1,250,409.75	
Advances from customers	786,715.42	786,715.42	
Contractual liability			
Employee compensation payable	2,552,996.37	2,552,996.37	
Taxes and surcharges payable	307,210.05	307,210.05	
Other payable	3,646,984.56	3,646,984.56	
Including: Interest payable			
Dividend payable			
Liabilities classified as held for sale			
Non-current liabilities maturing within one year			
Other current liabilities			
Total current liabilities	8,544,316.15	8,544,316.15	
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: preferred stock			
Perpetual bonds			



Lease liability			
Long-term payable			
Long-term employee compensation payable			
Accrual 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	10,034,001.19	
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	-339,757,154.25	-339,757,154.25	
Total owners' equity	78,485,695.76	78,485,695.76	
Total liabilities and owners' equity	88,519,696.95	88,519,696.95	

Explanation on adjustment: nil

(4) Explanation of the retrospective adjustment on comparative data in the prior period while implemented new revenue standards or new leasing standards for the first time since 2020

☐Applicable ☒Not applicable

45. Other

VI. Taxation

1. Major tax types and tax rates

Taxes	Basis for tax assessment	Tax rate
-------	--------------------------	----------



Value added tax (VAT)	Output VAT is calculated based on taxable sales revenue and service 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	5%, 6%, 9%, 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	18 yuan/m ²

Disclose reasons for different taxpaying body: Nil

2. Tax preference

1) According to Announcement of the Ministry of Finance of Taxation Administration No. 8, 2020 "Announcement of Tax Policies on Supporting the Prevention and Control of COVID-19 Infected Pneumonia Epidemic", from January 1, 2020, taxpayers will be exempted from value-added tax on income derived from the provision of public transportation, living services, and the express delivery service of essential living materials for residents.

2) According to the Notice on Implementing the Preferential Tax Reduction Policy for Small and Micro-sized Enterprises (Caishui [2019] No. 13) issued by the Ministry of Finance and the State Administration of Taxation, small-scale taxpayers of value-added tax can reduce resource tax, urban maintenance and construction tax, real estate tax, urban land use tax, etc. within 50% of the tax rate. The company's real estate tax and urban land use tax are levied by half. For small and low-profit enterprises whose annual taxable income does not exceed 1 million yuan, a 25% reduction will be included in the taxable income, and the corporate income tax will be paid at a tax rate of 20%, the subsidiary of the Company, Wengao Tourism, is a small and low-profit enterprise, enjoying the preferential income tax policy of reducing the taxable income amount by 25% and paying the enterprise income tax at the tax rate of 20%.

**3. Other: nil****VII. Notes to the items of consolidate financial statements****1. Monetary funds**

In RMB

Item	Ending balance	Beginning balance
Cash on hand	179,111.10	302,077.12
Bank deposits	2,745,348.65	7,120,862.77
Total	2,924,459.75	7,422,939.89

Other explanation: nil

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

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	592,008.33	100.00%	162,705.01	27.48%	429,303.32	420,849.75	100.00%	109,765.83	26.08%	311,083.92
Including:										
Total	592,008.33	100.00%	162,705.01	27.48%	429,303.32	420,849.75	100.00%	109,765.83	26.08%	311,083.92

Provision for bad debts based on single item: nil

Provision for bad debt based on portfolios: 162,705.01 yuan

In RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision ratio



Within 1 year	479,847.53	50,544.21	10.53%
1-2 years	19,092.00	19,092.00	100.00%
2-3 years	2,259.00	2,259.00	100.00%
3-4 years	566.00	566.00	100.00%
4-5 years	785.00	785.00	100.00%
Over 5 years	89,458.80	89,458.80	100.00%
Total	592,008.33	162,705.01	--

A description of the basis for determining the portfolio: nil

Estimated credit loss by portfolio: aging portfolio accrual items

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

Account age	Book balance
Within 1 year (inclusive)	479,847.53
1-2 years	19,092.00
2-3 years	2,259.00
Over 3 years	90,809.80
3-4 years	566.00
4-5 years	785.00
Over 5 years	89,458.80
Total	592,008.33

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

Provision for bad debt in the period

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrual	Reversal or switch-back	Charge off	Other	
Account receivable	109,765.83	52,939.18				162,705.01
Total	109,765.83	52,939.18				162,705.01

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

Name of entity	Ending balance of account receivable	Proportion in the total accounts receivable at period-end	Ending balance of the bad debt provision
Beijing Tongcheng Huading International Travel Service Co., Ltd. Suzhou Branch	168,981.46	28.54%	17,793.75
Shanghai Hecheng International Travel Service Co., Ltd.	125,387.75	21.18%	13,203.33
Tianjin Watermelon Tourism Limited Liability Company	123,624.74	20.88%	13,017.69
Guangzhou Design Institute	38,980.00	6.58%	38,980.00
Nanjing Tuniu International Travel Service Co. Ltd	35,650.00	6.02%	3,753.95
Total	492,623.95	83.20%	

(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 explanation: nil

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

In RMB

Item	Ending balance	Beginning balance
Other receivable	432,560.55	571,744.52
Total	432,560.55	571,744.52

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

In RMB

Nature	Ending book balance	Opening book balance
Utility bills	189,577.27	76,534.42
Margin	156,500.00	
Social insurance and housing provident funds	59,657.19	61,826.29
Reserve fund	56,812.68	394,313.63
Elevator installation fee	10,000.00	
Deposit	600.00	600.00
Litigation fee		68,562.00
Total	473,147.14	601,836.34

2) Provision for bad debt:

In RMB

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 on 1 Jan. 2020	30,091.82			30,091.82
Balance as on January 1. 2020 in current period	—	—	—	—
Provision in current period			17,820.25	17,820.25
Reverse in current period	7,325.48			7,325.48
Balance as on 31 Dec. 2020	22,766.34		17,820.25	40,586.59

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

☐ Applicable ☒ Not applicable

Released by account age

In RMB



Account age	Book balance
Within 1 year (inclusive)	444,074.24
1 to 2 years	26,836.90
Over 3 years	2,236.00
Over 5 years	2,236.00
Total	473,147.14

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

Provision for bad debt in the period

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrual	Reversal or switch-back	Charge off	Other	
Other receivable	30,091.82	17,820.25	7,325.48			40,586.59
Total	30,091.82	17,820.25	7,325.48			40,586.59

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

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
Labor Security Supervision Detachment of Sanya	Security deposits	156,500.00	Within 1 year	33.08%	7,825.00
Health center	Utility bills	79,687.40	Within 1 year and 1 year to 2 years	16.84%	3,984.37
Hut stores	Utility bills	56,329.00	Within 1 year	11.91%	2,816.45
Individual Social Insurance	Utility bills	47,327.19	Within 1 year	10.00%	2,366.36
Bright moon pavilion	Utility bills	25,000.00	Within 1 year	5.28%	1,250.00



music restaurant					
Total	--	364,843.59	--	77.11%	18,242.18

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

No

(1) Classification of inventories

In RMB

Item	Ending balance			Beginning balance		
	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	551,974.20	310,260.94	241,713.26	843,199.89	615,322.99	227,876.90
Commodity stocks	1,754,063.48	11,102.41	1,742,961.07	22,771.38	11,102.41	11,668.97
Fuel	25,254.50		25,254.50	14,711.32		14,711.32
Total	2,331,292.18	321,363.35	2,009,928.83	880,682.59	626,425.40	254,257.19

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

In RMB

Item	Beginning balance	Current increase		Current decrease		Ending balance
		Accrual	Other	Reversal or write-off	Other	
Raw materials	615,322.99			305,062.05		310,260.94
Commodity stocks	11,102.41					11,102.41
Total	626,425.40			305,062.05		321,363.35



(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

In RMB

Item	Ending balance	Beginning balance
Input tax to be deducted	2,219,513.16	808,143.62
Prepaid enterprise income tax	1,702,702.80	1,702,702.80
Prepaid for newspaper, insurance, etc.	52,719.06	56,413.98
Prepaid individual income tax	2,517.22	4,778.06
Other		2,404.11
Total	3,977,452.24	2,574,442.57

Other explanation: nil

14. Creditor's 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

√ Applicable □ Not applicable

In RMB



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	11,025,767.10	2,276,066.45		13,301,833.55
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	11,443,950.66	2,332,406.45		13,776,357.11
III. Provision for impairment				
1.Beginning balance	1,404,400.47	1,903,054.14		3,307,454.61
2.Current increase				
(1) Accrual				
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	6,008,153.31	1,427,280.00		7,435,433.31
2. Opening book value	6,426,336.87	1,483,620.00		7,909,956.87

(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

Item	Ending balance	Beginning balance
Fixed assets	34,694,023.75	35,075,195.98
Total	34,694,023.75	35,075,195.98

(1) Fixed assets

In RMB

Item	Buildings and constructions	Machinery equipment	Vehicles	Electronic equipment	Other equipment	Total
I. Original book value:						
1. Beginning balance	136,789,501.82	9,779,644.54	2,130,663.57	2,099,553.24	3,125,353.67	153,924,716.84
2. Current increase		665,610.76		746,600.42	1,732,559.52	3,144,770.70
(1) Purchase		665,610.76		606,952.10	1,732,559.52	3,005,122.38
(2) Transfer from construction in progress				139,648.32		139,648.32
(3) Increase from business combinations						
3. Current decrease		198,197.00	388,598.00	1,022,634.59	787,873.84	2,397,303.43
(1) Disposal or scrap		198,197.00	388,598.00	1,022,634.59	787,873.84	2,397,303.43
4. Ending balance	136,789,501.82	10,247,058.3	1,742,065.57	1,823,519.07	4,070,039.35	154,672,184.11



		0				
II. Accumulated amortization						
1.Beginning balance	74,674,779.38	7,369,670.18	1,498,327.87	1,405,100.97	1,263,700.50	86,211,578.90
2.Current increase	2,175,434.88	310,715.15	124,588.79	243,729.86	514,716.78	3,369,185.46
(1) Accrual	2,175,434.88	310,715.15	124,588.79	243,729.86	514,716.78	3,369,185.46
3.Current decrease		189,782.11	369,168.48	948,026.11	733,569.26	2,240,545.96
(1) Disposal or scrap		189,782.11	369,168.48	948,026.11	733,569.26	2,240,545.96
4.Ending balance	76,850,214.26	7,490,603.22	1,253,748.18	700,804.72	1,044,848.02	
III. Provision for impairment						
1.Beginning balance	31,072,788.17	1,565,153.79				32,637,941.96
2.Current increase						
(1) Accrual						
3.Current decrease						
(1) Disposal or scrap						
4.Ending balance	31,072,788.17	1,565,153.79				32,637,941.96
IV. Book value						
1.Ending book value	28,866,499.39	1,191,301.29	488,317.39	1,122,714.35	3,025,191.33	34,694,023.75
2.Opening book value	31,041,934.27	844,820.57	632,335.70	694,452.27	1,861,653.17	35,075,195.98

(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

Other description:

Note: the Company name right number three huts and character (2013) no. 07799, the villa - three huts and character (2013) no. 07801, the villa - three huts and character (2013) no. 07798, the villa - three huts and character (2013) no. 07796, the villa - three huts and no. 07800 (2013) word, total area of 1446.00 square meters of housing, are the mortgage (mortgage contract no.: Xingyingqiong SYYYB (mortgage) 2020 No. 001) of the Company borrowed from Industrial Bank co., LTD. Haikou branch (contract number: xing silver Joan SYYYB (flow) borrow words 2020 no. 001) . See Note V (18) for details.

**(6) Disposal of fixed assets: nil****22. Construction in process**

In RMB

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

(1) Construction in process

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment 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 period

In RMB

Project name	Budget	Beginning balance	Current increase	Amount transferred into fixed assets in the period	Other amount reduction in the period	Ending balance	Proportion of accumulated project investments in the budget	Project progress	Accumulated capitalization amount of interest	Including: capitalization amount of the interest in the period	Capitalization rate of the interest in the period (%)	Source of funds
B building guest room renovation project	12,000,000.00		14,894,643.97		14,894,643.97		100.00%	100.00%				Financial institution loans
Landscape greening project			1,514,343.66		1,514,343.66			100.00%				Other
Staff dormitory		348,873.78	308,848.48		657,722.26			100.00%				Other



renovation project												
Central air-conditioning system and hot water system comprehensive renovation		139,648.32		139,648.32				100.00%				Other
Total	12,000,000.00	488,522.10	16,717,836.11	139,648.32	17,066,709.89		--	--				--

(3) Provision for impairment of construction in progress in the period: 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

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	32,819,438.43			32,819,438.43
2.Current increase	812,387.16			812,387.16
(1) Accrual	812,387.16			812,387.16
3.Current decrease				
(1) Disposal				
4.Ending balance	33,631,825.59			33,631,825.59
III. Provision for impairment				
1.Beginning balance	27,440,836.84			27,440,836.84
2.Current increase				
(1) Accrual				
3.Current decrease				
(1) Disposal				
4.Ending balance	27,440,836.84			27,440,836.84
IV. Book value				
1.Ending book value	20,580,474.72			20,580,474.72
2.Opening book value	21,392,861.88			21,392,861.88

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

Item	Beginning balance	Current increase	Amortization in the period	Amount of other decreases	Ending balance
B building guest room renovation project		14,894,643.97	744,732.21		14,149,911.76
Building A Fire Stair Renovation Project	28,559.56		17,135.64		11,423.92
Swimming pool reconstruction	164,977.48		59,991.80		104,985.68
Reconstruction of guest rooms in Building C	528,951.38		192,345.93		336,605.45
Villa reconstruction	963,555.84		350,383.87		613,171.97
Building A renovation project	9,028,874.38		1,868,043.00		7,160,831.38
Pavement modification project	435,168.94		90,034.92		345,134.02
Roof waterproofing project	370,091.75		74,018.40		296,073.35
Staff dormitory renovation project		657,722.26	131,544.48		526,177.78
Landscape greening project		1,514,343.66	100,956.24		1,413,387.42
Total	11,520,179.33	17,066,709.89	3,629,186.49		24,957,702.73

Other explanation: nil

**30. Deferred income tax assets and deferred income tax liabilities: nil****31. Other non-current assets: nil****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

Item	Ending balance	Beginning balance
Payment for purchase	586,111.30	947,770.85
Accounts payable provisionally estimated	72,669.88	191,232.86
Service charges	134,562.18	84,838.93
Payment for projects	14,274.10	14,274.10
Elevator maintenance fee		7,200.00
Advertisement fees		
Consignment sales	1,093.00	1,093.00
Other		4,000.01
Total	808,710.46	1,250,409.75

(2) Significant accounts payable with aging over one year

In RMB

Item	Ending balance	Reasons for repayment failure or carry-forward
Estimated accounts payable	72,669.88	Unsettlement
Total	72,669.88	--

Other explanation: nil

**37. Advance payment****(1) Presentation of advances payment**

In RMB

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

(2) Significant advances payment with aging over one year**38. Contractual liability**

In RMB

Item	Ending balance	Beginning balance
Room and meal fees	626,285.33	
Total	626,285.33	

Amount and reasons for significant changes in book value during the reporting period: Nil

39. Employee compensation payable**(1) Presentation of employee compensation payable**

In RMB

Item	Beginning balance	Increase in this period	Decrease in this period	Ending balance
I. Short-term compensation	2,552,996.37	10,952,839.70	10,909,974.67	2,595,861.40
II. Post-employment benefits - defined contribution plans		126,564.80	126,564.80	
Total	2,552,996.37	11,079,404.50	11,036,539.47	2,595,861.40

(2) Presentation of short-term compensation

In RMB

Item	Beginning balance	Increase in this period	Decrease in this period	Ending balance
1. Salaries, bonuses, allowances and subsidies	1,434,454.59	8,783,426.82	8,839,871.70	1,378,009.71
2. Employee welfare expenses		1,299,230.95	1,299,230.95	



3. Social insurance premiums		390,845.15	390,845.15	
Including: medical insurance premiums		389,929.90	389,929.90	
Work-related injury insurance premiums		915.25	915.25	
4. Housing provident funds	2,254.00	191,534.00	193,788.00	
5. Labor union expenditures and employee education funds	1,116,287.78	287,802.78	186,238.87	1,217,851.69
Total	2,552,996.37	10,952,839.70	10,909,974.67	2,595,861.40

(3) Presentation of defined contribution plans

In RMB

Item	Beginning balance	Increase in this period	Decrease in this period	Ending balance
1. Basic endowment insurance premiums		122,215.46	122,215.46	
2. Unemployment insurance premiums		4,349.34	4,349.34	
Total		126,564.80	126,564.80	

Other explanation: nil

40. Taxes payable

In RMB

Item	Ending balance	Beginning balance
Value added tax (VAT)	146,530.24	135,982.62
Corporate income tax		47.80
Individual income tax	37,465.26	18,333.52
Urban maintenance and construction tax	738.33	902.73
Housing property tax	120,439.32	97,050.89
Land use tax	54,295.47	54,295.47
Stamp tax	6,896.96	
Educational surtax	316.43	386.88
Local education surtax	210.95	257.94
Total	366,892.96	307,257.85

Other explanation: nil

**41. Other payable**

In RMB

Item	Ending balance	Beginning balance
Other payable	6,167,763.36	2,647,515.86
Total	6,167,763.36	2,647,515.86

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

In RMB

Item	Ending balance	Beginning balance
Engineering and quality retention money	4,605,450.06	512,474.00
Staff dormitory rental fee, etc	1,013,939.39	1,219,075.78
Security deposits	295,089.81	764,598.49
On behalf of collection or payment	142,856.24	41,160.31
Employee deposits	87,820.00	86,520.00
Expected telephone bill	22,607.86	23,687.28
Total	6,167,763.36	2,647,515.86

2) Other significant payable with aging over one year: nil**42. Liability held for sale: nil****43. Non-current liability due within one year**

In RMB

Item	Ending balance	Beginning balance
Long-term borrowing due within one year - principal	6,598,477.52	
Long-term borrowing due within one year – accrual interest payable	23,020.42	
Total	6,621,497.94	



Other explanation: nil

44. Other current liability

In RMB

Item	Ending balance	Beginning balance
Tax to be exported	37,577.12	
Total	37,577.12	

Changes in short-term bonds payable: nil

45. Long-term loans

(1) Long-term loan classification

In RMB

Item	Ending balance	Beginning balance
Pledge loan	9,893,757.94	
Total	9,893,757.94	

Explanation of long-term loan classification:

Note: The mortgage loan of 9,893,757.94 yuan is the loan of the Company from the Haikou Branch of Industrial Bank Co., Ltd., the term of which is from April 23, 2020 to April 9, 2023, and the mortgage guarantee is made on the property with the total area of 1,446.00 square meters under the Company's name and the assessed value of 39,263,245.00 yuan (see Note 5.7 for details). The ending balance of the mortgage loan was 16,492,235.46 yuan, of which 6,598,477.52 yuan will be repaid in 2021 and reclassified as a non-current liability due within one year.

Other instructions, including interest rate range: nil

46. Bond payable: nil

47. Lease liability: nil

48. Long-term account payable: nil

49. Long-term employee payable: nil

50. Accrual liabilities

In RMB

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



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

Note: See Note 10.2.1 for details.

51. Deferred income: nil

52. Other non-current liability

In RMB

Item	Ending balance	Beginning balance
Projects paid over one year	1,914,592.66	
Total	1,914,592.66	

Other explanation: nil

53. Share capital

In RMB

	Beginning balance	Changes in the period ("+" for increase and "-" for decrease)					Ending balance
		Issuance of new shares	Share donation	Conversion of reserves into share	Others	Sub-total	
Total shares	364,100,000.00						364,100,000.00

Other explanation: nil

54. Other equity instrument: nil

55. Capital reserves

In RMB

Item	Beginning balance	Increase in this period	Decrease in this period	Ending balance
Capital premium (share premium)	33,336,215.58			33,336,215.58
Other capital reserves	20,806,634.43			20,806,634.43
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

Item	The period	Last period
Undistributed profit as at the end of the previous period before adjustment	-339,756,246.05	-340,454,153.72
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	-339,756,246.05	-340,512,967.51
Plus: net profit attributable to owners of the parent company in the current period	-11,567,888.97	756,721.46
Undistributed profit as at the end of the period	-351,324,135.02	-339,756,246.05

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 0 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

Item	Current period		Last period	
	Income	Cost	Income	Cost
Primary business	13,393,894.12	12,293,939.28	22,782,376.82	10,608,243.38
Other business	2,118,095.25	474,523.56	3,153,028.62	474,523.56
Total	15,511,989.37	12,768,462.84	25,935,405.44	11,082,766.94

Whether the lower of the audited net profit before and after deduction of non-recurring gains and losses is negative

☒Yes ☐No

In RMB

Item	2020	2019	Note
Operating income	15,511,989.37	25,935,405.44	Catering and



			Accommodation Industry
Operating income deduction items	2,118,095.25	3,153,028.62	Rental income
Including:			
Main business income	13,393,894.12	22,782,376.82	Catering and accommodation income
Other business	2,118,095.25	3,153,028.62	Rental income
Subtotal of business income not related to main business	2,118,095.25	3,153,028.62	Rental income
Subtotal of income without commercial substance	0.00	0.00	N/A
Amount of operating income after deduction	13,393,894.12	22,782,376.82	Catering and accommodation income

Revenue:

In RMB

Contract type	1# Division	2# Division		Total
Product type	15,511,989.37			15,511,989.37
Including:				
Room income	11,721,046.96			11,721,046.96
Catering and entertainment income	1,672,847.16			1,672,847.16
Other income	2,118,095.25			2,118,095.25
Including:				
Hainan area	15,511,989.37			15,511,989.37
Including:				
Including:				
Including:				
Including:				
Including:				
Total	15,511,989.37			15,511,989.37

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 explanation: nil

62. Taxes and surcharges

In RMB

Item	Current period	Last period
Urban construction tax	8,408.98	37,357.47
Educational surtax	3,500.57	16,010.36
Housing property tax	311,241.75	431,174.84
Land use tax	162,886.41	217,181.88
Vehicle and vessel use tax	4,219.00	5,220.00
Stamp tax	6,861.58	4,905.10
Local education surtax	2,333.70	10,673.55
Total	499,451.99	722,523.20

Other explanation: nil

63. Selling expenses

In RMB

Item	Current period	Last period
Employee salaries	2,808,385.87	2,987,665.20
Depreciation	642,976.97	520,034.90
Employee benefits	320,143.00	387,737.00
Repair charges	179,321.67	270,673.81
Social insurance premiums	163,017.79	525,922.93
Utility bills	138,757.23	151,981.73
Amortization of low cost consumables	104,355.92	90,344.35
Labor union expenditures and employee education funds	98,293.62	109,163.37
Operating supplies	88,404.28	348,124.41
Fuel fees	85,834.41	40,861.91
Promotion fees	83,877.78	43,131.83
Housing provident funds	59,940.00	57,780.00



Other expenses	80,414.39	73,053.03
Total	4,853,722.93	5,606,474.47

Other explanation: nil

64. Administrative expenses

In RMB

Item	Current period	Last period
Salaries and welfare	5,429,878.64	5,540,972.55
Amortization of intangible assets	812,387.16	812,387.16
Entertainment expenses	518,279.26	368,552.41
Agency fee	400,000.00	452,000.00
Depreciation	303,927.32	325,025.00
Social labor insurance premium	227,119.89	606,896.19
Announcing fee	223,900.00	239,590.00
Travel expenses	194,199.16	279,944.13
Repair charge	142,208.97	127,251.56
Legal fees	122,884.81	
Housing provident funds	98,257.00	79,602.00
Attorney fee	83,000.00	282,674.25
Funds for labor union and staff education	143,177.14	158,976.29
Promotion fees	54,570.96	19,695.50
Listing fee	47,748.00	127,370.00
Other expenses	224,888.25	351,475.82
Total	9,026,426.56	9,772,412.86

Other explanation: nil

65. R&D expenses: nil

66. Financial expenses

In RMB



Item	Current period	Last period
Interest expenses	551,742.76	
Less: interest income	155,036.56	210,556.05
Profit or loss on exchange		
Handling charges	38,743.26	34,795.67
Total	435,449.46	-175,760.38

Other explanation: nil

67. Other income

In RMB

Sources of other income	Current period	Last period
Direct reduction of VAT	639,617.24	
Government grants	152,593.62	200,000.00
Deducted input tax	25,614.48	92,643.89
Total	817,825.34	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

Item	Current period	Last period
Other receivable bad debt loss	-10,494.77	-7,082.88
Account receivable bad debt loss	-52,939.18	2,050.62
Total	-63,433.95	-5,032.26

Other explanation: nil

72. Asset impairment loss: nil

73. Income from assets disposal: nil

74. Non-operating revenue

In RMB



Item	Current period	Last period	Amount included in the current non-recurring profit or loss
Compensation	286,200.36	572,245.29	286,200.36
Debt write-off income		958,979.88	
Gain on the destruction of non-current assets		15,238.09	
Other	227.50	8,792.66	227.50
Total	286,427.86	1,555,255.92	

Government subsidies reckoned into current gains/losses: nil

75. Non-operating expenses

In RMB

Item	Current period	Last period	Amount included in the current non-recurring profit or loss
Termination indemnity and compensation	387,680.01		387,680.01
Loss of non-current assets damaged and scrapped	148,457.47	13,086.64	148,457.47
Overdue fine	1,046.33		
Total	537,183.81	13,086.64	

Other explanation: nil

76. Income tax expenses: 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

Item	Current period	Last period
Lease, water, electrical and gas fees collected	360,916.50	1,360,510.37
Interest income	155,036.56	208,151.94
Deposits		200,000.00
Loan repayment by employees		130,970.00



Support fund for market development of inbound tourism	150,000.00	200,000.00
Others	288,793.98	140,726.42
Total	954,747.04	2,240,358.73

Explanation of cash received from other operating activities: nil

(2) Cash paid for other operating activities

In RMB

Item	Current period	Last period
Social intercourse fees	228,639.04	305,994.41
Intermediary service charges	400,000.00	452,000.00
Announcement fee and related fee	72,000.00	179,590.00
Expenses for business trips	109,137.68	251,447.13
Attorney fee	30,000.00	205,140.00
Posts costs	17,705.99	35,650.53
Repair charges	260,141.62	351,092.37
Promotion fee	75,088.14	48,977.00
Costs of listing on the Shenzhen Stock Exchange	47,748.00	80,000.00
Fuel, water, electricity and gas charges	138,757.23	232,582.93
Office expenses	11,087.05	16,380.15
Financial expenses	38,743.26	34,795.67
Property insurance premiums	42,072.87	40,282.31
Membership expenses of the board of directors and the board of supervisors		30,010.00
Employee loan	291,688.22	403,763.71
Deposits	156,500.00	160,000.00
Other expenses	382,414.41	464,884.96
Total	2,301,723.51	3,292,591.17

Explanation of cash paid for other operating activities: 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

Supplementary information	Current period	Last period
1. Net profit adjusted to cash flows from operating activities	--	--
Net profit	-11,567,888.97	756,721.46
Plus: Provision for impairment of assets	63,433.95	5,032.26
Depreciation of fixed assets, depreciation and depletion of oil and gas assets and depreciation of productive biological assets	3,843,709.02	3,496,851.59
Depreciation of right-of-use assets		
Amortization of intangible assets	812,387.16	812,387.16
Amortization of long-term deferred expenses	3,603,947.43	1,433,178.13
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)		
Losses from write-off of fixed assets ("-" for gains)	148,457.47	-2,151.45
Losses from changes in fair value ("-" for gains)		
Financial expenses ("-" for gains)	551,742.76	
Investment losses ("-" for gains)		
Decreases in deferred income tax assets ("-" for increases)		
Increases in deferred income tax liabilities ("-" for decreases)		
Decreases in inventories ("-" for increases)	-1,450,609.59	77,541.59
Decreases in operating payable ("-" for increases)	-1,699,666.53	-492,057.74
Increases in operating payable ("-" for decreases)	-1,034,780.68	-1,373,841.49
Others		



Net cash flow from operating activities	-6,729,267.98	4,713,661.51
2. Significant investing and financing activities not involving cash receipts and payments	--	--
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets acquired under financing leases		
3. Net changes in cash and cash equivalents	--	--
Ending balance of cash	2,924,459.75	7,422,939.89
Less: beginning balance of cash	7,422,939.89	15,364,355.30
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-4,498,480.14	-7,941,415.41

(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

Item	Ending balance	Beginning balance
I. Cash	2,924,459.75	7,422,939.89
Including: cash on hand	179,111.10	302,077.12
Unrestricted cash at bank	2,745,348.65	7,120,862.77
III. Balance of cash and cash equivalents at end of the period	2,924,459.75	7,422,939.89

Other explanation: 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:

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

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

☐ Applicable ☒ Not applicable

83. Hedging

Released the items and relevant instruments by types, and qualitative and quantitative information for hedge risks: nil

84. Government subsidy**(1) Government subsidy**

In RMB

Type	Amount	Presentation item	Amount entry in current gains/losses
Support funds for inbound tourism market development	150,000.00	Other income	150,000.00
Job stabilization subsidy	2,593.62	Other income	2,593.62

(2) Refund of government subsidy

☐ Applicable ☒ Not applicable

Other explanation: nil



85. Other: nil

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

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 explanation: 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 commercial service industries	100.00%		Newly established

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 explanation: 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

(1) Explanation of changes in the share of owner's equity of the subsidiary: nil

(2) The impact of the transaction on the minority shareholders' equity and the owner's equity attributable to the parent company: nil

3. Equity in arrangement of joint venture or associated enterprises

(1) Important joint venture or associated enterprises: nil

(2) Main financial information and important joint ventures: nil

(3) Main financial information of important associated enterprises: nil

(4) Summary financial information of unimportant joint venture and associated enterprises: nil

(5) Explanation of significant restrictions on the ability of joint venture or associated enterprises to transfer funds to the company: nil

(6) Excess losses incurred by joint venture or associated enterprises: nil

(7) Unconfirmed commitments related to joint venture investment: nil

(8) Contingent liabilities related to investment in 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.

(i) 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.

(ii) 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.

The Company's various financial liabilities are shown below in terms of undiscounted contractual cash flows as due dates:

Item	Ending balance						Total
	Within 1 month	1-3 months	3 month to 1 year (including 1 year)	1-5 years	Above 5 years	Overdue	
Short-term loans							
Long-term loans (including long-term loans with maturity of 1 year)			6,598,477.52	9,893,757.94			16,492,235.46



Long-term loans (interest)	23,020.42						23,020.42
Total	23,020.42		6,598,477.52	9,893,757.94			16,515,255.88

(iii) 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.

The interest rate risk of the Company refers to the risk that the fair value of financial instruments or future cash flows will fluctuate due to changes in market interest rates.

The interest rate risk that the Company faces mainly comes from the bank's long-term loan. The details of external borrowings of the Company on December 31, 2020 are as follows:

Item	Ending balance	Including: Ending interest payable	Opening Balance
Short-term loans			
Long-term loans due within 1 year	6,621,497.94	23,020.42	
Long-term loans	9,893,757.94		
Interest of long-term loans			
Total	16,515,255.88		

**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	1151.51 million yuan	17.55%	19.80%

Explanation on the parent company:

Explanation: As at December 31, 2020, 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 explanation: nil

2. Subsidiary of the Enterprise

For details of the company's subsidiaries, please refer to the note "7 Rights and interests in other entities".

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

Procurement of goods / acceptance of labor: nil

Sales of goods/provided labor service:

In RMB

Related party	Content of related-party transaction	Current period	Last period
Luoniushan Co., Ltd.	Room and meal fees	54,352.40	124,455.66

Explanation of related party transactions of purchasing and selling commodities, providing and receiving labor services: nil

(2) Associated trusteeship management/contract and trusteeship/outourcing: 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

In RMB

Item	Current period	Last period
Key management personnel emoluments	1,953,190.00	2,055,628.00

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

In RMB

Item	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Account receivable	Luoniushan Co., Ltd.	3,378.00		3,246.00	

(2) Payable: nil**7. Related party's commitment****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, 2020, no further progress was made on the above-mentioned asset restructuring commitments.

2. Contingencies

(1) Major contingencies on balance sheet date

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, 2020, no further progress was made on this matter.

(2) For no major contingencies disclosed, explain reasons

The Company has no major contingencies should be disclosed

3. Other: nil

XV. Post balance sheet events

1. Major non-adjustment events: nil

2. Profit distribution: nil

3. Sales return: nil

4. Other post balance sheet events

Profit distribution: On April 22, 2021, as resolved at the 12th session 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.

**XVI. Other significant events****1. Correction of accounting errors in previous periods: nil****2. Debt reorganization: nil****3. Asset exchange****(1) Non-monetary assets exchange: nil****(2) Other assets exchange: nil****4. Annuity plan: nil****5. Termination of operation: nil****6. Segment information****(1) The determination basis and accounting policy of the report segment: nil****(2) Financial information of the report segment: nil****(3) If the company has no reportable segments, or cannot disclose the total assets and total liabilities of each reportable segment, the reasons should be explained: nil****(4) Other explanation: nil****7. Major trading and items shows influence on investors' decision-making: nil****8. Other**

The Company announced on June 3, 2019 that Hainan Dadonghai Tourism Center Group Co., Ltd. (hereinafter referred to as "Dadonghai Group") borrowed 2.76 million yuan and 4.55 million yuan from the Company on October 16, 1996 and December 26, 1996 respectively. The two loans totaling 7.31 million yuan have not been repaid yet. The Company filed a lawsuit with the People's Court of the Suburb of Sanya City, Hainan Province (hereinafter referred to as the "Court") to request the defendant Dadonghai Group to repay the loan of 7.31 million yuan to the Company.

On October 9, 2020, the Company received the Civil Judgment (2020) No. 1629 of Qiong02 Minzhong issued by the Intermediate People's Court of Sanya City. It is ordered that Dadonghai Group shall repay the loan of 7.31 million yuan to the Company within 10 days from the effective date of this judgment. At present, the case has been applied to the court for enforcement.

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

In RMB

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	592,008.33	100.00%	162,705.01	27.48%	429,303.32	420,849.75	100.00%	109,765.83	26.08%	311,083.92
Including:										
Total	592,008.33	100.00%	162,705.01	27.48%	429,303.32	420,849.75	100.00%	109,765.83	26.08%	311,083.92

Accounts receivable with provision for bad debts made separately: nil

Provision for bad debt by portfolio: 162,705.01 yuan

In RMB

Name	Ending balance		
	Book balance	Provision for bad debt	Provision ratio
Within 1 year	479,847.53	50,544.21	10.53%
1 year to 2 years	19,092.00	19,092.00	100.00%
2 years to 3 years	2,259.00	2,259.00	100.00%
3 years to 4 years	566.00	566.00	100.00%
4 years to 5 years	785.00	785.00	100.00%
Above 5 years	89,458.80	89,458.80	100.00%
Total	592,008.33	162,705.01	--

A description of the basis for determining the portfolio: nil

Estimated credit loss by portfolio: aging portfolio accrual items

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

Account age	Book balance
Within 1 year (inclusive)	479,847.53
1 year to 2 years	19,092.00
2 years to 3 years	2,259.00
Over 3 years	90,809.80
3 years to 4 years	566.00
4 years to 5 years	785.00
Over 5 years	89,458.80
Total	592,008.33

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

Provision for bad debt in the period

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrual	Reversal or switch-back	Charge off	Other	
Account receivable	109,765.83	52,939.18				162,705.01
Total	109,765.83	52,939.18				162,705.01

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

Name of entity	Ending balance of account receivable	Proportion in the total accounts receivable at period-end	Ending balance of the bad debt provision
Beijing Tongcheng Huading International Travel Service Co., Ltd. Suzhou Branch	168,981.46	28.54%	17,793.75
Shanghai Hecheng International Travel Service	125,387.75	21.18%	13,203.33



Co., Ltd.			
Tianjin Watermelon Tourism Limited Liability Company	123,624.74	20.88%	13,017.69
Guangzhou Design Institute	38,980.00	6.58%	38,980.00
Nanjing Tuniu International Travel Service Co. Ltd.	35,650.00	6.02%	3,753.95
Total	492,623.95	83.20%	

(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

Item	Ending balance	Beginning balance
Other receivable	432,560.55	571,744.52
Total	432,560.55	571,744.52

(1) Interest receivable

1) Classification of interest receivable: nil

2) Important overdue interest: 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 explanation: nil

**(3) Other account receivable****1) Other account receivable disclosed by nature**

In RMB

Nature	Ending book balance	Opening book balance
Utility bills	189,577.27	76,534.42
Petty cash	56,812.68	394,313.63
Social insurance and housing provident funds	59,657.19	61,826.29
Deposit	600.00	600.00
Litigation fee		68,562.00
Elevator installation fee	10,000.00	
Security deposits	156,500.00	
Total	473,147.14	601,836.34

2) Provision for bad debt:

In RMB

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. 2020	30,091.82			30,091.82
Balance as at January 1, 2020 in current period	—	—	—	—
Provision in current period			17,820.25	17,820.25
Reverse in current period	7,325.48			7,325.48
Balance as at 31 Dec. 2020	22,766.34		17,820.25	40,586.59

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

☐ Applicable ☒ Not applicable

Released by account age

In RMB

Account age	Book balance
Within 1 year (inclusive)	444,074.24



1 year to 2 years	26,836.90
Above 3 years	2,236.00
Above 5 years	2,236.00
Total	473,147.14

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

Provision for bad debt in the period:

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrual	Reversal or switch-back	Charge off	Other	
Other receivable	30,091.82	17,820.25	7,325.48			40,586.59
Total	30,091.82	17,820.25	7,325.48			40,586.59

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

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
Labor Security Supervision Detachment of Sanya	Security deposits	156,500.00	Within 1 year	33.08%	7,825.00
Health center	Utility bills	79,687.40	Within 1 year and 1 year to 2 years	16.84%	3,984.37
Hut stores	Utility bills	56,329.00	Within 1 year	11.91%	2,816.45
Individual Social Insurance	Social insurance	47,327.19	Within 1 year	10.00%	2,366.36
Bright moon pavilion music	Utility	25,000.00	Within 1 year	5.28%	1,250.00



restaurant	bills				
Total	--	364,843.59	--	77.11%	18,242.18

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

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	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

Investee	Beginning balance (Book value)	Increase/decreased in the period (+, -)				Ending balance (Book value)	Ending balance of the provision for impairment
		Additio nal invest ment	Capital reduction	Accrual Impairment provision	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



Item	Current period		Last period	
	Income	Cost	Income	Cost
Primary business	13,393,894.12	12,293,939.28	22,782,376.82	10,608,243.38
Other businesses	2,118,095.25	474,523.56	3,153,028.62	474,523.56
Total	15,511,989.37	12,768,462.84	25,935,405.44	11,082,766.94

Revenue:

In RMB

Contract type	1# Division	2# Division		Total
Product type	15,511,989.37			15,511,989.37
Including:				
Room income	11,721,046.96			11,721,046.96
Catering and entertainment income	1,672,847.16			1,672,847.16
Other income	2,118,095.25			2,118,095.25
Including:				
Hainan area	15,511,989.37			15,511,989.37
Including:				
Including:				
Including:				
Total	15,511,989.37			15,511,989.37

Information relating to performance obligation: nil

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

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 explanation: 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



Item	Amount	Note
Profit or loss from disposal of non-current assets	-148,457.47	Loss on 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)	817,825.34	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	-102,298.48	
Total	567,069.39	--

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	-15.91%	-0.0318	-0.0318
Net profits attributable to ordinary shareholders of the Company after deduction of non-recurring profits or losses	-16.69%	-0.0333	-0.0333

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, Hong Kong Commercial Daily and Juchao Website 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.

Chairman: Yuan Xiaoping

22 April 2021