



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.



Semi-Annual Report 2019 (Full-text)

Disclosure Date: 10 August 2019



Section I. Important Notice, Contents and Paraphrase

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 charger of accounting works and Fu Zongren, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of 2019 Semi-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.

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Paraphrase

Items	Refers to	Contents
CSRC	Refers to	China Securities Regulation Commission
SSE	Refers to	Shenzhen Stock Exchange
Company Law	Refers to	Company Law of The People's Republic of China
Securities Law	Refers to	Securities Law of The People's Republic of China
Company, the Company	Refers to	Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.
Article of Association	Refers to	Article of Association of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.
Shareholders' General Meeting	Refers to	Shareholders' General Meeting of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.
Board	Refers to	Board of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.
Supervisory Committee	Refers to	Supervisory Committee of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.
Yuan	Refers to	CNY/RMB

Risk Warning

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 2019, 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	Da donghai-A, Dadonghai-B	Stock code	000613, 200613
Short form of the Stock after changed	N/A		
Stock exchange for listing	Shenzhen Stock Exchange		
Name of the Company (in Chinese)	海南大东海旅游中心股份有限公司		
Short form of the Company (in Chinese)	大东海		
Foreign name of the Company	Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd		
Foreign name of short form of the Company	DADONGHAI		
Legal representative	Yuan Xiaoping		

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	hnddhn@21cn.com	

III. Others

1. Way of contact

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

Applicable Not applicable

Registrations address, offices address and codes as well as website and email of the Company have no change in reporting period, found more details in Annual Report 2018.

2. Information disclosure and preparation place

Whether information disclosure and preparation place changed in reporting period or not



Applicable Not applicable

The newspaper appointed for information disclosure, website for semi-annual report publish appointed by CSRC and preparation place for semi-annual report have no change in reporting period, found more details in Annual Report 2018.

IV. Main accounting data and financial indexes

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

Yes No

	Current period	Same period of last year	Increase/decrease in this report y-o-y
Operating revenue (RMB)	14,241,961.04	16,173,929.32	-11.94%
Net profit attributable to shareholders of the listed company (RMB)	755,974.01	1,282,165.58	-41.04%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	595,943.55	1,282,370.56	-53.53%
Net cash flow arising from operating activities (RMB)	1,269,416.65	3,110,677.60	-59.19%
Basic earnings per share (RMB/Share)	0.0021	0.0035	-40.00%
Diluted earnings per share (RMB/Share)	0.0021	0.0035	-40.00%
Weighted average ROE (%)	0.97%	1.65%	-0.68%
	End of current period	End of last period	Increase/decrease in this report-end over that of last period-end
Total assets (RMB)	87,407,933.32	88,197,118.07	-0.89%
Net assets attributable to shareholder of listed company (RMB)	78,544,670.30	77,788,696.29	0.97%

V. 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.

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

√Applicable □ Not applicable

In RMB

Item	Amount	Note
Other	160,030.46	Clean up long-term unpaid payable
Total	160,030.46	--

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

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

No

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

II. Major changes in main assets

1. Major changes in main assets

Major assets	Note of major changes
Account receivable	Decreased 0.27 million Yuan over that of year beginning, mainly because funds returned increased in reporting period
Other receivables	Increased 0.78 million Yuan over that of year beginning, mainly because the petty cash and court fee increased at end of the period

2. Main overseas assets

Applicable Not applicable

III. Core Competitiveness Analysis

Whether or not the Company complies with disclosure requirement of the special industry

No

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 company realized main business income of 14,242,000 Yuan, decreased by 1,932,000 Yuan compared with the same period last year, a decrease of 11.94%; net profit of 756,000 Yuan, decreased by 526,200 Yuan compared with the same period last year, a decrease of 41.04%.

During the reporting period, the Company focus on market-oriented and use marketing strategy in a flexible way to exploited the sales channel, meanwhile, strengthening enterprise culture construction as well as the employee team-building, making efforts to improve product's quality, strictly controlling the cost management, perfect the Company's internal control system in order to reduce the risks and consumption for more income earns and less expenditure costs, we completed the operation targets that formulated at beginning of the year basically. Main works are as:

1. Market-oriented, use marketing strategy in a flexible way to exploit the sales channel

During the reporting period, the Company actively expanded the network market, the Russian market and the southwest, north, east and southern China markets in addition to further consolidating its existing customer bases oriented by markets with flexible utilization of marketing strategies. Besides, increasing cooperation was made by the Company with domestic and foreign well-known travel agencies, sales network platforms and direct-sale travel agencies in the first and second tier cities. The Company also conducted implementation of sales incentives and sales mechanism involving every staff, to increase the market share in terms of sales.

2. People-oriented, strengthen the enterprise with high-quality, strive to improve product quality and enhance the competitive-ness of enterprises

In reporting period, in line with the Human-Oriented employment ideality, we continuously enriched the culture life for employees, create a harmonious working environment and strengthen the construction of enterprise culture and staff-building. At the same time, create new management mechanism, motivate and mobilized the enthusiasm, initiative and creativity of the staff. Based on the management ideal of "strengthen the enterprise with high-quality", we constantly strengthen the hotel management and carried out skill training in pre-job for their basic information and the after-job for business ability improvement. Enhance the service standards and consciousness, as well as the sense of responsibility and quality, effectively improved the service quality and management standards, and improving the quality of the hotel and comprehensive competitiveness.

3. Strictly curb the costs and budget management, improve internal control mechanism, reducing risks and consumption, increase revenue and reduce expenditures, safety in production to maximize the interest of the enterprise

During the reporting period, the Company continued to focus on financial management, improve the procurement



management system, strengthen management of procurement cost control and budget management, adopt diversified means to obtain procurement price inquiry, such as network price inquiry, the hotel industry price inquiry and other measures, obtain cost inquiry from over three suppliers to select the best one, control operating costs in a scientific manner, strictly control various expense and expenditures, frequent inspection and repair to prevent waste of resources, which enabled the Company to effectively improve the reasonableness of procurement cost and cost effectiveness. Besides, human resources cost was effectively brought down due to optimized organ establishment and personnel distribution. 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, to ensure the operation safety and thus maximize the interests of the Company as a whole.

In the second half of 2019, 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

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

Change of main financial data on a y-o-y basis

In RMB

	Current period	Same period of last year	Y-o-y increase/decrease	Reasons for changes
Operation revenue	14,241,961.04	16,173,929.32	-11.94%	The main building of the hotel is decorating and renovating since May
Operation cost	5,514,477.93	6,000,063.36	-8.09%	The dining room was closed for decoration due to the decoration in main building of the hotel
Sales expenses	2,809,991.94	2,800,956.10	0.32%	Normal changes
Administrative expenses	5,071,800.21	5,356,455.21	-5.31%	Wages expenses declined
Financial cost	-133,732.09	17,563.19	-861.43%	Increase in interest on deposits
Net cash flow arising from operation activities	1,269,416.65	3,110,677.60	-59.19%	Decrease in operating income
Net cash flow arising from investment activities	-522,876.00	-1,040,626.12	-74.38%	More account paid for projects at same period of last year
Net increase of cash and cash equivalent	746,540.65	2,070,051.48	-63.94%	Decrease in operating income

Major changes on profit composition or profit resources in reporting period

Applicable Not applicable



No changes on profit composition or profit resources in reporting period

Constitution of main business

In RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase/decrease of operating revenue y-o-y	Increase/decrease of operating cost y-o-y	Increase/decrease of gross profit ratio y-o-y
According to industries						
Tourism catering service	14,241,961.04	5,514,477.93	61.28%	-11.94%	-8.09%	-2.58%
According to products						
Room revenue	11,108,639.78	4,532,724.45	59.20%	-12.55%	-2.84%	-6.43%
Catering entertainment revenue	1,562,368.88	744,491.70	52.35%	-18.28%	-32.16%	22.89%
Rental revenue	1,570,952.38	237,261.78	84.90%	0.78%	0.00%	0.14%
According to region						
	14,241,961.04	5,514,477.93	61.28%	-11.94%	-8.09%	-2.58%

III. Analysis of the non-main business

√Applicable □ Not applicable

In RMB

	Amount	Ratio in total profit	Note	Whether be sustainable
Non operating income	160,030.46	21.17%	Clean up long-term unpaid payable	No sustainable

IV. Assets and liability

1. Major changes of assets composition

In RMB

	Current period-end		Same period-end last year		Ratio change s	Notes of major changes
	Amount	Ratio in total assets	Amount	Ratio in total assets		
Monetary fund	16,110,895.95	18.43%	11,751,658.64	13.36%	5.07%	Continuous net increase in cash since last year
Account receivable	155,986.88	0.18%	266,236.51	0.30%	-0.12%	Return of the receivables increased



Inventory	191,693.57	0.22%	264,620.69	0.30%	-0.08%	Normal changes
Investment real estate	8,147,218.65	9.32%	9,621,742.21	9.80%	-0.48%	Depreciation amortization
Fix assets	34,997,520.16	40.04%	38,017,199.39	43.22%	-3.18%	Depreciation
Other account receivable	1,242,181.64	1.42%	800,136.44	0.91%	0.51%	Advance payment increased
Other current assets	2,125,619.16	2.43%	2,195,699.54	2.50%	-0.07%	Normal changes
Long-term amortization expenses	2,240,879.25	2.56%	2,678,016.88	3.04%	-0.48%	Amortization

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

Current investment amount (RMB)	Same period of last year (RMB)	Changes (+,-)
1,000,000.00	1,000,000.00	0.00%

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 Period

VI. Sales of major assets and equity

1. Sales of major assets

Applicable Not applicable

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

2. Sales of major equity

Applicable Not applicable

VII. Analysis of main holding company and stock-jointly companies

Applicable Not applicable

The Company had no information of main holding company and stock-jointly companies disclosed in the reporting period.

VIII. Structured vehicle controlled by the Company

Applicable Not applicable

IX. Prediction of business performance from January – September 2019

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

Applicable Not applicable

X. Risks and countermeasures

(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 improve 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 managers and skill technicians.

(4) Operational risks of main business

With the ceaseless development of global tourist industry constantly and ceaseless rising of high-class, middle-class and low-class hotels, the tourist sources keep shunting, and the competition of tourism service industry in Sanya becomes increasingly fierce. While 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, we continued to develop financing channels, expanding operation projects, enrich the industrial structure for increasing the profit increasing point.



Section V. Important Events

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

1. Annual General Meeting in the report period

Session of meeting	Type	Ratio of investor participation	Date	Date of disclosure	Index of disclosure
AGM of 2018	Annual general meeting	31.66%	2019-3-22	2019-3-23	The "Resolution Notice of Annual General Meeting of 2018" (No.: 2019-012) published on Securities Times, Hong Kong Commercial Daily and Juchao website (http://www.cninfo.com.cn) dated 23 March 2019 respectively

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

Applicable Not applicable

II. Profit distribution and capitalization of capital reserves in 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 semi-annual year

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

Applicable Not applicable

Commitments	Promise	Type of commitments	Content of commitments	Commitment date	Commitment term	Implementation
Commitments for Share Merger Reform	Luoniushan Co., Ltd	Commitments for Share Merger Reform	On May 30, 2007, Luoniushan Co., Ltd. made commitments in the Company's "Instructions for reform of non-tradable shares" (Revision) and "Instructions for reform of non-tradable shares" (Abstract of revision) that in view of Dadonghai Company's losses in successive years and on the verge of delisting, in order to reverse the company's business difficulties,	2017-06-27	6 months	The original plans of material assets reorganization was terminated



			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.			
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	<p>The company's stock has been suspended since the opening on February 15, 2017 due to the planning and fulfillment commitments of Luoniushan. On August 13, 2017, the consideration of the 11th interim meeting of the eighth board of directors of the company failed to approve the "Proposal on Major Asset Purchase and Related Transaction Report (Plan) of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd." and other 11 proposals. On August 15, 2017, the company issued an announcement to terminate this major asset restructuring, and the company's stock resumed trading on August 17th. Currently, the company has no information that should be disclosed but not disclosed.</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>					



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.

IV. Engagement and non-reappointment of CPA

Whether the semi-annual report was audited or not

Yes No

The semi-annual report of the Company had no audited.

V. Explanation from the Board and Supervisory Committee for “Qualified Opinion” from the CPA

Applicable Not applicable

VI. Explanation on “Qualified Opinion” of previous year from the Board

Applicable Not applicable

VII. Bankruptcy reorganization

Applicable Not applicable

In reporting period, the Company has no bankruptcy reorganization occurred.

VIII. Lawsuits

Significant lawsuits and arbitration of the Company

Applicable Not applicable

Basic Situation of Litigation (Arbitration)	Amount Involved (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
The plaintiff, China Cinda Asset Management Co., Ltd. Hainan Branch, sued the defendants,	3,431.17	No	The plaintiff, China Cinda Asset Management Co., Ltd. Hainan Branch, sued the defendants, Hainan Dadonghai Tourism Centre (Holdings)	The first instance judgment dismissed	N/A	2018-11-22; 2019	Announcement on Significant Litigation (Announcement



<p>Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. and Sanya Yueya Real Estate Development Corporation, for a financial loan contract dispute, appealing to Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. to repay the loan of 5 million Yuan and the loan interest of 29,311,700 Yuan temporarily calculated to April 30, 2018, Sanya Yueya Real Estate Development Corporation assumes the joint and several liability, and the two defendants bear litigation costs. In the course of the litigation, the plaintiff added the company as a co-defendant and required the court to order the company to assume joint and several liability for the above debts of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd.</p>		<p>Co., Ltd. and Sanya Yueya Real Estate Development Corporation, for a financial loan contract dispute, appealing to Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. to repay the loan of 5 million yuan and the loan interest of 29,311,700 yuan temporarily calculated to April 30, 2018, Sanya Yueya Real Estate Development Corporation assumes the joint and several liability, and the two defendants bear litigation costs. In the course of the litigation, the plaintiff added the company as a co-defendant and required the court to order the company to assume joint and several liability for the above debts of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. For the above-mentioned case of principal of 5 million yuan, the verdict of Civil Judgment (2018) No.Q02MC76 from the Intermediate People's Court Sanya dismissed the claim of the plaintiff China Cinda Asset Management Co., Ltd. Hainan Branch, and the case acceptance fee and property preservation application fee were borne by China Cinda Asset Management Co., Ltd. Hainan Branch. The plaintiff Hainan Cinda refused to accept the first-instance judgment and appealed to the Hainan Higher People's Court. On March 28, 2019, the verdict of Civil Judgment (2019) No.QMZ96 from Hainan Higher People's Court dismissed the appeal and upheld the original judgment; the second-instance case acceptance fee was borne by Hainan Cinda; this judgment is the final judgment.</p>	<p>the claim of the plaintiff China Cinda Asset Management Co., Ltd. Hainan Branch, and the case acceptance fee and property preservation application fee were borne by China Cinda Asset Management Co., Ltd. Hainan Branch. The judgment of the first instance has no impact on the company, The second instance upheld the first-instance judgment, therefore,</p>	<p>-1-5; 2019 -1-3 1; 2019 -4-2</p>	<p>No.: 2018-061) published by Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn. Announcement on Significant Litigation Progress (Announcement No.: 2019-001) published by Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn. Announcement on Significant Litigation Progress (Announcement No.: 2019-003) published by Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn. Announcement on Significant Litigation Progress (Announcement No.: 2019-013) published by Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.</p>
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				the lawsuit had no effect on the company's current profit and future profit.			n.
Hainan Dadonghai Tourism Centre Group Co., Ltd. borrowed 2.76 million yuan and 4.55 million yuan from Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. on October 16, 1996 and December 26, 1996 respectively. The two borrowings totaled 7.31 million yuan and haven't been repaid yet. The company submitted a "Civil Complaint" and related evidence materials to the Sanya Suburban People's Court (hereinafter referred to as the "Court").	731	No	On June 3, 2019, the company received the "Notice of Accepting Case" (2019) No. Q0271MC5185 issued by the court, and the court has accepted the case. At present, the case has not yet been heard.	The company has written off the borrowings of the case in full amount in 2008. At present, the case has not been heard, and the company is unable to judge the impact of this lawsuit on the company's current profit or future profit.	N/A	2019-06-04	Announcement on Significant Litigation (Announcement No.: 2019-017) published by Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn.

Other lawsuits

√Applicable □ Not applicable

Basic Situation of Litigation (Arbitration)	Amount Involved (Yuan)	Whether to Form an Estimate	Litigation (Arbitration) Progress	Litigation (Arbitration) Trial Results and Impact	Execution of Litigation (Arbitration)	Date of Disclosure	Disclosure Index
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		ed Liabilit y			Judgment		
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. So far, 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	No	On July 7, 2019, the company received the "Notice of Accepting Cases" issued by the court, and the court has accepted the case. At present, the case has not yet been heard.	At present, the case has not been heard, and the company is unable to judge the impact of this lawsuit on the company's current profit or future profit.	N/A	-	-

IX. Penalty and rectification

Applicable Not applicable

The Company has no penalty and rectification in the Period

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

Applicable Not applicable

XI. 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.

**XII. Major related transaction****1. Related 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 majority shareholder	Consumption	Accommodation	Market price	Market price	12.52	0.88%	0	Y	Same as the transaction with non-related party	Same as the transaction with non-related party		
Total				--	--	12.52	--	0	--	--	--	--	--
Detail of sales return with major amount involved							N/A						
Report the actual implementation of the daily related transactions which were projected about their total amount by types during the reporting period							N/A						
Reasons for major differences between trading price and market reference price							Not applicable						

2. Related transactions by assets acquisition and sold

□ Applicable √ Not applicable

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

3. Related transactions of mutual investment outside

□ Applicable √ Not applicable

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

**4. Contact of related credit and debt**

Applicable Not applicable

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

5. Other material related transactions

Applicable Not applicable

The Company has no other material related transactions in the period

XIII. Non-business capital occupying by controlling shareholders and its related parties

Applicable Not applicable

No non-business capital occupied by controlling shareholders and its related parties in Period

XIV. Major contract and implantation**1. Trusteeship, contract and leasing****(1) Trusteeship**

Applicable Not applicable

The Company had no trusteeship in the reporting period.

(2) Contract

Applicable Not applicable

The Company had no contract in the reporting period.

(3) Leasing

Applicable Not applicable

Note of leasing

Item	Tenant	Lease life	Term of lease
B/F of the Hotel	Ma Ming (Hainan Hangpai Food Co., Ltd.)	5 years	2016-01-01 to 2020-12-31
Shopping mall –B/F	Xu Jipeng	3 years	2016-11-15 to 2019-11-14
A/F ground floor	Chen Junwei	3 years	2016-03-01 to 2019-02-28
Seaside stall and wood house	Sanya Leda Food Management Co., Ltd.	5 years	2018-01-01 to 2022-12-31
Seaside locker room	Zhong Zhengao	3 years	2016-12-01 to 2019-11-30
Multi-functional meeting room	Sanya Haolide International Travel Agency Co., Ltd.	5 years	2017-10-01 to 2022-09-30



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

√Applicable □ Not applicable

Name of lessor	Name of the leasing party	Leasing assets	Leasing assets involved in the amount (in 10 thousand Yuan)	Lease start date	Lease termination date	Leasing income (in 10 thousand Yuan)	Basis for determining the leasing income	The impact of leasing income on the company	Whether be related transactions	Association relation
The Company	Ma Ming (Hainan Hangpai Food Co., Ltd.)	B/F restaurant in first floor	1,886	2016-01-01	2020-12-31	37.8	Contract	Increase income	No	N/A
The Company	Sanya Leda Food Management Co., Ltd.	Seaside stall and wood house	653	2018-01-01	2022-12-31	72.5	Contract	Increase income	No	N/A
The Company	Zhong Zhengao	Seaside locker room	10	2016-12-01	2019-11-30	18	Contract	Increase income	No	N/A
The Company	Sanya Haolide International Travel Agency Co., Ltd.	Multi-functional meeting room	190	2017-10-01	2022-09-30	15	Contract	Increase income	No	N/A

2. Major Guarantee

□Applicable √ Not applicable

The Company had no guarantee in the reporting period.

3. Other material contracts

√Applicable □ Not applicable

The name of the contracting company	The name of the contracted company	Contract object	Date of contract signing	The book value of the assets involved in the contract (in 10 thousand Yuan)	The assessed value of the assets involved in the contract (in 10 thousand Yuan)	Name of the evaluation	The base date evaluation	Pricing Principle	Transaction price (in 10 thousand Yuan)	Whether Related Transactions or not	Relevance relationship	The performance by the end of the term	Date of disclosure	Index of disclosure
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Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd South China Hotel	Haikou Xindeheng Construction and Installation Engineering Co., Ltd.	Decoration project of the Building-A of South China Hotel	2019-05-10	-	-	N/A	-	Market price	890	No	Non-correlative relationship	The project proceeding normally	-	-

Note: The contract does not constitute a major contract matter. The 4th meeting of the Ninth Board of Directors of the Company reviewed and approved the “Proposal on the decoration and renovation of the Building A of the South China Hotel”. At the same time, the board of directors has authorized the company to handle matters including, but not limited to, bidding for the matter and signing of relevant contracts.

XV. Social responsibility

1. Major environmental protection

Listed company and its subsidiary belong to the key pollution enterprise listed by Department of Environmental Protection: No

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

XVI. Explanation on other significant events

Applicable Not applicable

1. The Lawyer’s Letter received by the Company: 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. The Company is communicated and negotiates with Sanya Power Bureau in the above mentioned event without negotiation results so far.

2. The company received the Lawyer’s Letter: Main contents of the Lawyer’s Letter: the financial loan dispute between the company’s joint stock company, Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. (hereinafter referred to as “Dadonghai Holdings”), and its original creditor, China Construction Bank Sanya Branch (hereinafter referred to as “CCB Sanya Branch”), its new creditor China Cinda Asset Management Co., Ltd. Hainan Branch (hereinafter referred to as “Hainan Cinda”) currently makes the right to recover, the two debts include: (1) the principal of 1.1 million Yuan and interest of 5,598,300 Yuan temporarily calculated to April 30, 2018, totaling 6,698,300 Yuan, and Hainan Cinda is reported to have dropped the case. (2)the principal of 5 million Yuan



and interest of 29,311,700 Yuan temporarily calculated to April 30, 2018, totaling 34,311,700 Yuan. If Dadonghai Holdings is incapable of handling the liquidation, Hainan Cinda will claim that the company should be jointly and severally liable for the above debts of Dadonghai Holdings. During the reporting period, the first instance ruling rejected Hainan Cinda's claim and the final judgment of the second instance shall be upheld by the judgment of the first instance.

XVII. Significant event of subsidiary of the Company

Applicable Not applicable



Section VI. Particulars about Changes in Shares and Shareholders

I. Changes in Share Capital

1. Changes in Share Capital

In Share

	Before the Change		Increase/Decrease in the Change (+, -)					After the Change	
	Amount	Proportion	New shares issued	Bonus shares	Capitalization of public reserve	Others	Subtotal	Amount	Proportion
I. Restricted shares	10,454,400	2.87%				0	0	10,454,400	2.87%
1. State-owned shares									
2. State-owned corporate shares	2,323,200	0.64%				0	0	2,323,200	0.64%
3. Other domestic shares	8,131,200	2.23%				0	0	8,131,200	2.23%
Including: Domestic legal person shares	7,900,200	2.17%				0	0	7,900,200	2.17%
Domestic natural person shares	231,000	0.06%				0	0	231,000	0.06%
II. Unrestricted shares	353,645,600	97.13%				0	0	353,645,600	97.13%
1. RMB common shares	265,645,600	72.96%				0	0	265,645,600	72.96%
2. Domestically listed foreign shares	88,000,000	24.17%				0	0	88,000,000	24.17%
III. Total shares	364,100,000	100.00%				0	0	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**II. Securities issuance and listing** Applicable Not applicable**III. Amount of shareholders of the Company and particulars about shares holding**

In Share

Total common stock shareholders in reporting period-end	36,595	Total preference shareholders with voting rights recovered at end of reporting period	0					
Particulars about common shares held above 5% by shareholders or top ten common shareholders								
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Number of common 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	63,885,



								9 8 0
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		
HGNH International Asset Management Co., Ltd – customer deposit	Foreign corporate	1.23%	4,495,902	0	0	4,495,902		
Pan Aiping	Domestic nature person	1.13%	4,110,738	0	0	4,110,738		
China Investment Securities (HK) Co., Ltd. – customer deposit	Foreign corporate	0.99%	3,622,300	0	0	3,622,300		
Zhang Fengxiu	Domestic nature person	0.90%	3,291,372	-610000	0	3,291,372		
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign corporate	0.84%	3,056,390	0	0	3,056,390		
Strategy investors or general legal person becomes top 10 common shareholders due to rights issued	N/A							
Explanation on associated relationship or accordant action among the aforesaid shareholders	Among the above shareholders, Hainan Ya'an Residence Property Service Co., Ltd. is the wholly-owned subsidiary of Luoniushan Co., Ltd; Yang Meiqin, Pan Anjie, Chen Jinlian and Pan Aiping are the persons acting in concert; the Company is unknown whether there exists associated relationship or belongs to the consistent actor regulated by the Management Measure of Information Disclosure on Change of Shareholding for Listed Company among the other shareholders.							
Particular about top ten shareholders with un-restrict common shares held								
Shareholders' name	Amount of un-restrict common 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
HGNH International Asset Management Co., Ltd – customer deposit	4,495,902	RMB common share	4,495,902
Pan Aiping	4,110,738	Domestically listed foreign share	4,110,738
China Investment Securities (HK) Co., Ltd. – customer deposit	3,622,300	RMB common share	3,622,300
Zhang Fengxiu	3,291,372	RMB common share	3,291,372
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	3,056,390	Domestically listed foreign share	3,056,390
Expiation on associated relationship or consistent actors within the top 10 un-restrict common stock shareholders and between top 10 un-restrict common stock shareholders and top 10 common stock 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.

IV. Changes of controlling shareholders or actual controller

Changes of controlling shareholders in reporting period

Applicable Not applicable

Changes of controlling shareholders had no change in reporting period.

Changes of actual controller in reporting period



Applicable Not applicable

Changes of actual controller in reporting period had no change in reporting period.



Section VII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the Period.



Section VIII. Particulars about Directors, Supervisors, Senior Executives and Employees

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

Applicable Not applicable

No change of shares held by directors, supervisors and senior executives, found more details in Annual Report 2018.

II. Changes of directors, supervisors and senior executives

Applicable Not applicable

No changes of directors, supervisors and senior executives, found more details in Annual Report 2018.



Section IX. Corporate Bond

Whether the Company has a corporation bonds that issuance publicly and listed on stock exchange and without due on the date when semi-annual report approved for released or fail to cash in full on due

No



Section X. Financial Report

I. Audit report

Whether the semi annual report is audited

Yes No

The company's semi annual financial report has not been audited.

II. Financial Statement

Expressed in Renminbi unless otherwise stated

1. Balance sheet

Prepared by HAINAN DADONGHAI Tourism Centre (HOLDINGS) CO., LTD.

In RMB

Item	2019-6-30	2018-12-31
Current assets:		
Monetary funds	16,110,895.95	15,364,355.30
Settlement provisions		
Capital lent		
Transactional financial assets		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Note receivable		
Account receivable	155,986.88	426,434.87
Receivable financing		
Accounts paid in advance	396,882.60	
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other account receivable	1,242,181.64	458,242.73
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		



Inventories	191,693.57	221,390.19
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	2,125,619.16	1,846,219.79
Total current assets	20,223,259.80	18,316,642.88
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Finance asset available for sales		
Other debt investment		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	8,147,218.65	8,384,480.43
Fixed assets	34,997,520.16	36,497,869.65
Construction in progress		
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	21,799,055.46	22,205,249.04
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	2,240,879.25	2,792,876.07
Deferred income tax asset		
Other non-current asset		
Total non-current asset	67,184,673.52	69,880,475.19
Total assets	87,407,933.32	88,197,118.07
Current liabilities:		
Short-term loans		
Loan from central bank		
Capital borrowed		



Transactional financial liability		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Note payable		
Account payable	1,077,017.43	1,607,835.81
Accounts received in advance	779,681.12	1,291,293.05
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	1,827,967.06	2,841,262.35
Taxes payable	745,943.66	450,861.87
Other account payable	2,942,968.71	2,727,483.66
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Contractual liability		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	7,373,577.98	8,918,736.74
Non-current liabilities:		
Insurance contract reserve		
Long-term loans		
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability	1,489,685.04	1,489,685.04
Deferred income		
Deferred income tax liabilities		



Other non-current liabilities		
Total non-current liabilities	1,489,685.04	1,489,685.04
Total liabilities	8,863,263.02	10,408,421.78
Owner's equity:		
Share capital	364,100,000.00	364,100,000.00
Other equity instrument		
Including: Preferred stock		
Perpetual capital securities		
Capital public reserve	54,142,850.01	54,142,850.01
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus public reserve		
Provision of general risk		
Retained profit	-339,698,179.71	-340,454,153.72
Total owner's equity attributable to parent company	78,544,670.30	77,788,696.29
Minority interests		
Total owner's equity	78,544,670.30	77,788,696.29
Total liabilities and owner's equity	87,407,933.32	88,197,118.07

Legal Representative: Yuan Xiaoping

Accounting Principal: Fu Zongren

Accounting Firm's Principal: Fu Zongren

2. Balance sheet of parent company

In RMB

Item	2019-6-30	2018-12-31
Current assets:		
Monetary funds	15,610,097.59	14,864,055.73
Transactional financial assets		
Financial assets measured by fair value and with variation reckoned into current gains/losses		
Derivative financial assets		
Note receivable		
Account receivable	155,986.88	426,434.87



Receivable financing		
Accounts paid in advance	396,882.60	
Other account receivable	1,242,181.64	458,242.73
Including: Interest receivable		
Dividend receivable		
Inventories	191,693.57	221,390.19
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	2,125,619.16	1,846,219.79
Total current assets	19,722,461.44	17,816,343.31
Non-current assets:		
Debt investment		
Available-for-sale financial assets		
Other debt investment		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	1,000,000.00	1,000,000.00
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	8,147,218.65	8,384,480.43
Fixed assets	34,997,520.16	36,497,869.65
Construction in progress		
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	21,799,055.46	22,205,249.04
Research and development costs		
Goodwill		
Long-term deferred expenses	2,240,879.25	2,792,876.07
Deferred income tax assets		
Other non-current assets		
Total non-current assets	68,184,673.52	70,880,475.19
Total assets	87,907,134.96	88,696,818.50



Current liabilities		
Short-term borrowings		
Transactional financial liability		
Financial liability measured by fair value and with variation reckoned into current gains/losses		
Derivative financial liability		
Notes payable		
Account payable	1,077,017.43	1,607,835.81
Accounts received in advance	779,681.12	1,291,293.05
Contractual liability		
Wage payable	1,827,967.06	2,841,262.35
Taxes payable	745,943.66	450,861.87
Other accounts payable	3,442,669.14	3,226,952.36
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	7,873,278.41	9,418,205.44
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable		
Accrued liabilities	1,489,685.04	1,489,685.04
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	1,489,685.04	1,489,685.04
Total liabilities	9,362,963.45	10,907,890.48
Owners' equity:		



Share capital	364,100,000.00	364,100,000.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	54,142,850.01	54,142,850.01
Less: Inventory shares		
Other comprehensive income		
Special reserve		
Surplus reserve		
Retained profit	-339,698,678.50	-340,453,921.99
Total owner's equity	78,544,171.51	77,788,928.02
Total liabilities and owner's equity	87,907,134.96	88,696,818.50

3. Consolidated profit statement

In RMB

Item	Semi-annual of 2019	Semi-annual of 2018
I. Total operating income	14,241,961.04	16,173,929.32
Including: Operating income	14,241,961.04	16,173,929.32
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	13,646,017.49	14,891,558.76
Including: Operating cost	5,514,477.93	6,000,063.36
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	383,479.50	716,520.90
Sales expense	2,809,991.94	2,800,956.10
Administrative expense	5,071,800.21	5,356,455.21



R&D expense		
Financial expense	-133,732.09	17,563.19
Including: Interest expenses		
Interest income	152,697.12	22,729.87
Add: other income		
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 “-”)		
Losses of devaluation of asset (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	595,943.55	1,282,370.56
Add: Non-operating income	160,030.46	273.00
Less: Non-operating expense		477.98
IV. Total profit (Loss is listed with “-”)	755,974.01	1,282,165.58
Less: Income tax expense		
V. Net profit (Net loss is listed with “-”)	755,974.01	1,282,165.58
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with “-”)	755,974.01	1,282,165.58
2.termination of net profit (net loss listed with “-”)		
(ii) Classify by ownership		
1.Net profit attributable to owner’s of parent company	755,974.01	1,282,165.58
2.Minority shareholders’ gains and losses		
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		



3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.gain/loss of fair value changes for available-for-sale financial assets		
4.Amount of financial assets re-classify to other comprehensive income		
5.Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6.Credit impairment provision for other debt investment		
7.Cash flow hedging reserve		
8.Translation differences arising on translation of foreign currency financial statements		
9.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	755,974.01	1,282,165.58
Total comprehensive income attributable to owners of parent Company	755,974.01	1,282,165.58
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(i) Basic earnings per share	0.0021	0.0035
(ii) Diluted earnings per share	0.0021	0.0035

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	Semi-annual of 2019	Semi-annual of 2018
------	------------------------	------------------------



I. Operating income	14,241,961.04	16,173,929.32
Less: Operating cost	13,645,516.28	14,891,558.76
Taxes and surcharge	383,479.50	716,520.90
Sales expenses	2,809,991.94	2,800,956.10
Administration expenses	5,071,800.21	5,356,455.21
R&D expenses		
Financial expenses	-133,233.30	17,563.19
Including: interest expenses		
Interest income	151,938.33	22,729.87
Add: other income		
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 “-”)		
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 “-”)	595,444.76	1,282,370.56
Add: Non-operating income	160,030.46	273.00
Less: Non-operating expense		477.98
III. Total Profit (Loss is listed with “-”)	755,475.22	1,282,165.58
Less: Income tax		
IV. Net profit (Net loss is listed with “-”)	755,475.22	1,282,165.58
(i)continuous operating net profit (net loss listed with “-”)	755,475.22	1,282,165.58
(ii) termination of net profit (net loss listed with “-”)		
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		



5. Other		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Other comprehensive income under equity method that can transfer to gain/loss		
2. Change of fair value of other debt investment		
3. gain/loss of fair value changes for available-for-sale financial assets		
4. Amount of financial assets re-classify to other comprehensive income		
5. Gain/loss of held-to-maturity investments that re-classify to available-for-sale financial asset		
6. Credit impairment provision for other debt investment		
7. Cash flow hedging reserve		
8. Translation differences arising on translation of foreign currency financial statements		
9. Other		
VI. Total comprehensive income	755,475.22	1,282,165.58
VII. Earnings per share:		
(i) Basic earnings per share	0.0021	0.0035
(ii) Diluted earnings per share	0.0021	0.0035

5. Consolidated cash flow statement

In RMB

Item	Semi-annual of 2019	Semi-annual of 2018
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	14,988,120.25	17,460,137.72
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	1,105,441.88	684,152.64
Subtotal of cash inflow arising from operating activities	16,093,562.13	18,144,290.36
Cash paid for purchasing commodities and receiving labor service	4,468,726.47	5,026,699.13
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 financial assets held for transaction purposes		
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	6,921,639.62	6,741,602.32
Taxes paid	1,139,283.59	1,590,739.15
Other cash paid concerning operating activities	2,294,495.80	1,674,572.16
Subtotal of cash outflow arising from operating activities	14,824,145.48	15,033,612.76
Net cash flows arising from operating activities	1,269,416.65	3,110,677.60
II. Cash flows arising from investing activities:		
Cash received from recovering investment		
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets	68,670.00	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	68,670.00	
Cash paid for purchasing fixed, intangible and other long-term assets	591,546.00	1,040,626.12
Cash paid for investment		
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	591,546.00	1,040,626.12
Net cash flows arising from investing activities	-522,876.00	-1,040,626.12
III. Cash flows arising from financing activities		
Cash received from absorbing investment		



Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans		
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities		
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	746,540.65	2,070,051.48
Add: Balance of cash and cash equivalents at the period -begin	15,364,355.30	9,681,607.16
VI. Balance of cash and cash equivalents at the period -end	16,110,895.95	11,751,658.64

6. Cash flow statement of parent Company

In RMB

Item	Semi-annual of 2019	Semi-annual of 2018
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	14,988,120.25	17,460,137.72
Write-back of tax received		
Other cash received concerning operating activities	1,104,683.09	684,152.64
Subtotal of cash inflow arising from operating activities	16,092,803.34	18,144,290.36
Cash paid for purchasing commodities and receiving labor service	4,468,726.47	5,026,699.13
Cash paid to/for staff and workers	6,921,639.62	6,741,602.32
Taxes paid	1,139,261.99	1,590,739.15
Other cash paid concerning operating activities	2,294,257.40	1,674,572.16
Subtotal of cash outflow arising from operating activities	14,823,885.48	15,033,612.76
Net cash flows arising from operating activities	1,268,917.86	3,110,677.60
II. Cash flows arising from investing activities:		
Cash received from recovering investment		



Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets	68,670.00	
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	68,670.00	
Cash paid for purchasing fixed, intangible and other long-term assets	591,546.00	1,040,626.12
Cash paid for investment		1,000,000.00
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	591,546.00	2,040,626.12
Net cash flows arising from investing activities	-522,876.00	-2,040,626.12
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans		
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		
Cash paid for settling debts		
Cash paid for dividend and profit distributing or interest paying		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities		
Net cash flows arising from financing activities		
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	746,041.86	1,070,051.48
Add: Balance of cash and cash equivalents at the period -begin	14,864,055.73	9,681,607.16
VI. Balance of cash and cash equivalents at the period -end	15,610,097.59	10,751,658.64

7. Consolidate change of owners' equity

Current period

In RMB

Item	Semi-annual of 2019											Minority interests	Total equity	owners'
	Owners' equity attributable to the parent Company													
	Share capital	Other equity instru	Capital reserve	L	O	R	S	P	Retained profit	o	t			
				e	t	e	u	r		h				



		ment			s	h	a	r	o	e		
		P	O									
		r	t									
		e	h									
		r	e									
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		a	r									
		p	r									
		i	e									
		t	s									
		s	t									
		e	o									
		c	c									
		u	r									
		r	i									
		t	i									
		e	s									
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												
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						-340,454,153.72	77,788,696.29	77,788,696.29
III. Increase/ Decrease in this year (Decrease is listed with "-")										755,974.01	755,974.01	755,974.01
(i) Total comprehensive income										755,974.01	755,974.01	755,974.01
(ii) Owners' devoted and decreased capital												
1.Common shares invested by shareholders												



											re		
											st		
											s		
Share capital	Other equity instrument	P	P	O	Capital public reserve	L	O	R	P	Retained profit	o	Subtotal	
		r	r	r		e	t	e	r				
I. Balance at the end of the last year	364,100,000.00				54,142,850.01					-341,107,435.91		77,135,414.10	77,135,414.10
Add: Changes of accounting policy													
Error correction of the last period													
Enterprise combine under the same control													
Other													
II. Balance at the beginning of this year	364,100,000.00				54,142,850.01					-341,107,435.91		77,135,414.10	77,135,414.10
III. Increase/ Decrease in this year (Decrease is listed with "-")										1,282,165.58		1,282,165.58	1,282,165.58



of the report period

8. Change of owners' equity of parent company

Current period

In RMB

Item	Semi-annual of 2019							
	Share capital	Other equity instrument		Capital public reserve	Other reserves: Intentional share reserves	Retained profit	Other	Total owners' equity
		Preferred shares	Other					
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
Add: Changes of accounting policy								
Error correction of the last period								
Other								
II. Balance at the beginning of this year	364,100,000.00			54,142,850.01			-340,454,153.72	77,788,696.29
III. Increase/ Decrease in this year (Decrease is listed with "-")							755,475.22	755,475.22
(i) Total comprehensive income							755,475.22	755,475.22
(ii) Owners' devoted and decreased capital								
1.Common shares invested by shareholders								
2. Capital invested by holders of other equity instruments								



			c u r r i t i e s				m e	
I. Balance at the end of the last year	364,100,000.00			54,142,850.01			-341,107,435.91	77,135,414.10
Add: Changes of accounting policy								
Error correction of the last period								
Other								
II. Balance at the beginning of this year	364,100,000.00			54,142,850.01			-341,107,435.91	77,135,414.10
III. Increase/ Decrease in this year (Decrease is listed with "-")							1,282,165.58	1,282,165.58
(i) Total comprehensive income							1,282,165.58	1,282,165.58
(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 conversed to capital (share capital)								
2. Surplus reserves conversed 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			-339,825,270.33	78,417,579.68

III. Company profile

1. 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 June 30, 2019, the Company's accumulative total issued capital was 364.1 million shares and the Company's registered capital was RMB 364.1 million. Legal representative: Yuan Xiaoping. Unified social credit code: 91460000201357188U. Domicile: Dadonghai, Hedong District, Sanya. Business scope: Accommodation and catering industry (limited to branches); photography; flower bonsai, knitwear, general merchandise, hardware and electrical equipment, chemical products (except franchised operations), daily necessities, industrial means of production (except franchised operations), metal materials, machinery equipment; sales of train, bus and vehicle tickets on an agent basis, etc. The Company's largest shareholder is Luoniushan Co., Ltd.

The financial statements were approved by all directors of the Company for disclosure on August 8, 2019.

2. Scope to the consolidated financial statements

Scope of the consolidated financial statement for the period has no changes and as at 30 June 2019, the subsidiary included into the Company's scope of consolidated financial statements is as follows:

Name	Relationship with the Company
Hainan Wengao Tourist Resources Development Co., Ltd.	A wholly-owned subsidiary

IV. Basic for the preparation of the financial statements

1. Preparation basis

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



and Submission of Information Disclosure by Companies Offering Securities to the Public No.15 - General Requirements for Financial Reports (Revised in 2014).

2. Going concern

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

V. Significant accounting policies and accounting estimates

Specific accounting policies and estimation attention:

The main accounting policies and accounting estimates of the Company had no change.

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

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises, and truly and completely present the financial position, operating results, cash flows of the Company and other related information.

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. Reporting currency

The Company adopts RMB as its reporting currency.

5. Accounting Treatment Method for Business Combinations (under the same/different control)

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

Business combination not under common control: The Company shall, on the acquisition date, measure the



assets surrendered and liabilities incurred or assumed by the Company for a business combination at their fair values. The difference between the fair value and their book value shall be included in the current profit or loss. The Company shall recognize the difference of the combination costs in excess of the fair value of the identifiable net assets acquired from the acquiree as goodwill. The Company shall recognize the difference of the combination costs in short of the fair value of the identifiable net assets acquired from the acquiree in the current profit or loss after review.

The auditing, legal services, consulting and other intermediary service fees as well as other relevant direct expenses for business combination will be included in the current profit or loss at occurrence; the transaction costs for the issue of equity securities shall be used to write down equities.

6. Preparation methods of consolidated financial statements

1) Scope of consolidation

The scope of consolidated financial statements of the Company is determined on the basis of control, and all its subsidiaries (including the investee's partible part that is under control of the Company) shall be included in the consolidated financial statements.

2) Procedures of consolidation

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

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



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

(1) Increase of subsidiaries or business

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

Where control can be exercised on the investee under the common control for additional investment or other reasons, adjustment will be made as if all parties involved in the combination exist at the beginning of the control by the ultimate controller. Equity investments held before the control over the combined party is obtained, the related gains and losses, other comprehensive income as well as other changes in net assets recognized from the later of the date when the original equity is obtained or the date when the acquirer and the acquiree are under the same control, to the combination date will respectively write down the retained earnings or current profit or loss in the comparative statements.

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

Where the Company can control the investee not under common control from additional investments, it shall re-measure equity of the acquiree held before the acquisition date at the fair value of such equity on the



acquisition date and include the difference of the fair value and book value in the investment income in the year. Where equity of the acquiree held before the acquisition date involves in other comprehensive income accounted for under equity method and other changes in owners' equity other than net profits or losses, other comprehensive income and profit distribution, the relevant other comprehensive income and other changes in owners' equity shall be transferred to investment income in the year which the acquisition date falls in, except for other comprehensive income from changes arising from re-measurement of net liabilities or net assets of defined benefit plan by the investee.

(2) Disposal of subsidiaries or business

① General method of treatment

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

When the Company loses the control over the investee due to disposal of partial equity investment or other reasons, the remaining equity investment after the disposal will be re-measured by the Company at its fair value on the date of loss of the control. The difference of the sum of the consideration acquired from disposal of equities and the fair value of the remaining equities less the sum of the share calculated at the original shareholding ratio in net assets of the original subsidiary which are continuously calculated as of the acquisition date or the combination date and goodwill shall be included in the investment income of the period in which the control is lost. Other comprehensive incomes associated with the equity investments of the original subsidiary, or the changes in owners' equity other than net profit or loss, other comprehensive income and profit distribution, are transferred into investment income of the period when the control is lost, except for other comprehensive income from the change in net liability or net asset due to the investor's re-measurement of defined benefit plan.

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

② Disposal of subsidiaries by stages

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

- i. These transactions are concluded at the same time or under the consideration of mutual effect;



- ii. These transactions as a whole can reach a complete business result;
- iii. The occurrence of a transaction depends on the occurrence of at least one other transaction;
- iv. A single transaction is uneconomical but is economical when considered together with other transactions.

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

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

(3) Purchase of minority interest of subsidiaries

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

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

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

7. Classification and accounting treatment of joint venture arrangements

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

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



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

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

8. Recognition criteria of cash and cash equivalents

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

9. Foreign currency business and foreign currency statement conversion

Foreign currency transactions will be translated at the spot exchange rate on the transaction date and be accounted for at RMB.

The balance of foreign currency monetary items are translated at the spot exchange rate on the balance sheet date and the exchange differences arising therefrom shall be included in the current profit and loss, except those exchange differences arising from the special borrowings of foreign currency related to the acquired and constructed assets qualified for capitalization that will be capitalized at the borrowing expenses. Foreign currency non-monetary items measured at historical costs shall still be converted at the spot exchange rates when the transactions occur, without changing the functional currency amount. Foreign currency non-monetary items measured at fair value shall be translated at the spot exchange rates on the day when the fair value is determined. The exchange difference arising therefrom is included in the current profit and loss or capital reserves.

10. Financial instruments

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

1) Classification of financial instruments



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

2) Recognition and measurement of financial instruments

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

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

The interests or cash dividends to be received during the holding period are recognized as investment income. Change in fair values is included in the current profit and loss at the end of the period.

The difference between the fair value and the initial book-entry value is recognized as investment income upon disposal; meanwhile, adjustments are made to profits or losses from changes in fair values.

(2) Held-to-maturity investments

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

The interest income is calculated and recognized according to amortized costs and effective interest rates (as per coupon rates if the difference between effective interest rates and coupon rates is small) during the holding period, and is included in the investment income. The effective interest rates are determined upon acquisition and remain unchanged during the expected remaining period, or a shorter period if applicable.

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

(3) Receivables

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

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

(4) Available-for-sale financial assets

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

The interests or cash dividends to be received during the holding period are recognized as investment income. The interest or cash dividends should be measured at fair value and their changes in fair value should be included in



other comprehensive income. However, for an equity instrument investment that has no quoted price in an active market and whose fair value cannot be reliably measured, and for derivative financial asset linked to the said equity instrument investment and settled by delivery of the same equity instrument, they shall be measured at cost. Difference between the proceeds and the book value of the financial assets is recognized as investment profit or loss upon disposal; meanwhile, amount of disposal corresponding to the accumulated change in fair value which is originally and directly included in other comprehensive income shall be transferred out and recognized as investment gains or losses.

(5) Other financial liabilities

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

3) Recognition and measurement of transfer of financial assets

When a financial assets transfer occurs, the financial assets will be derecognized when substantially all the risks and rewards on the ownership of the financial assets have been transferred to the transferee; and they will not be derecognized if substantially all the risks and rewards on the ownership of the financial assets have been retained. When determining whether the transfer of a financial asset meets the above de-recognition criteria of financial assets, the Company adopts the principle of substance over form. The Company classifies the transfer of a financial asset into the entire transfer and the partial transfer of financial asset. Where the entire transfer of the financial asset meets the de-recognition conditions, the difference of the following two amounts will be included in current profit and loss:

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

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

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

If the transfer of financial assets does not meet the de-recognition criteria, the financial assets shall continue to be recognized, and the consideration received will be recognized as a financial liability.

4) De-recognition criteria of financial liabilities

Where the present obligations of financial liabilities have been discharged in whole or in part, the financial liability is derecognized or any part thereof will be derecognized; if the Company signs an agreement with creditors to replace the existing financial liabilities by undertaking new financial liabilities, and the new financial



liabilities are substantially different from the existing ones in terms of contract terms, the existing financial liabilities will be derecognized, and at the same time, the new financial liability will be recognized.

Where 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 is 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) will be included into current profit and loss.

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

5) Method of determining 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. Fair value of a financial instrument having no active market shall be 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. The unobservable inputs are used only under the circumstance when it is impossible or unobservable inputs to obtain relevant observable inputs.

6) Testing and accounting methods of impairment of financial assets (excluding receivables)

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

(1) Impairment provision for available-for-sale financial assets:

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

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

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

(2) Impairment provision for held-to-maturity investments:



Measurement of impairment losses on held-to-maturity investments is treated in accordance with the measurement method for impairment losses on receivables.

11. Note receivable

12.Account receivable

(1) Account receivable with individually significant amount and with bad debt provision accrual independently

Basis and standard for "individually significant"	Top 5 accounts receivable and other receivables by individual amount at the end of the year
Methods for provision for bad debts of receivables with individually significant amount:	The Company will separately conduct an impairment test on an individual basis and the allowance for bad debts will be made at the lower of the present value of the expected future cash flow and the book value thereof and included in current profit and loss. Those do not impair after the separate test shall be included into corresponding portfolio for provision for bad debts. If separate test indicates that there is impairment of receivables, they shall not be included the receivables portfolio with similar risk credit characteristics for an impairment test.

(2) Receivables provided for bad debts on a portfolio basis

Portfolio	Methods for provision for bad debts
Account age	Age of the account
Accrual method for bad debt provision by portfolio	
Account age	Aging analysis

Account age	Provision ratio for receivables	Proportion ratio for other receivables
Within 1 year (inclusive)	0.00%	0.00%
1-2 years	5.00%	5.00%
2-3 years	15.00%	15.00%
Over 3 years		
3-4 years	25.00%	25.00%
4-5 years	50.00%	50.00%
Over 5 years	100.00%	100.00%

(3) Accounts receivable with individually insignificant amounts and individual allowance for bad debt

Reasons for separate provision of allowance for bad debts	At the end of the year, there are objective evidences showing that the individual balances below top five are impaired; for example, the debtor is dissolved, bankrupts or dies, and therefore the receivables cannot be recovered after the bankruptcy property or the estate is repaid.
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Provision method of allowance for bad debts	<p>if there is an objective evidence that the impairment on receivables has occurred, such receivables shall be separated from relevant portfolio to conduct impairment test separately, based on which the impairment losses are recognized.</p> <p>Receivables other than accounts receivable and other receivables are subject to impairment provision by using the specific identification methods.</p>
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(4) Reversal of bad debt provision

If there is objective evidence that the value of the receivable has been recovered and is objectively related to the matters occurred after the recognition of the loss, the previously recognized impairment loss shall be reversed and included in the current profit or loss. However, the book value after the reversal does not exceed the amortized cost of the receivable on the reversal date, assuming no provision for impairment.

13. Receivables financing

14. Other account receivable

Determination and accounting treatment of the expected credit loss for other account receivable: nil

15. Inventories

Does the Company need to comply with the disclosure requirement of the special industry

Nil

16. Contract assets

17. Contract costs

18. Assets held for sale

19. Investment in debt obligations

20. Other investment in debt obligations

21. Long-term account receivable

22. Long-term equity investment

1) Judgment criteria for common control and significant influence

Joint control refers to the control shared over an arrangement in accordance with the relevant stipulations, and the decision-making of related activities of the arrangement should not be made before the party sharing the control right agrees the same. Where the Company exercises joint control over the investee together with other parties to the joint venture and enjoys the right on the investee's net assets, the investee is a joint venture of the Company.



Significant influence refers to the power to participate in making decisions on the financial and operating policies of an enterprise, such as appointing representative to the board of directors or similar organs of authority of the investee, but not the power to control the investee, or jointly control, the formulation of such policies with other parties. Where an investor is able to have significant influences on an investee, the investee shall be the Company's associate.

2) Determining of initial investment cost

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

Business combination under the common control: if the Company pays a consideration to the combinee in cash, by transferring non-cash assets or by assuming debts, the share of book value of its owners' equity in the combinee in the consolidated financial statements of the ultimate controlling party shall be regarded, on the merger date, as the initial investment cost of the long-term equity investment. If there is a difference between the initial investment cost of the long-term equity investment and the total of book values of the paid cash, transferred non-cash assets and of assumed debts as well as the face value of issued share, the difference shall be used to adjust the share premium in the capital reserve; and if the share premium in the capital reserve is insufficient to be offset, retained earnings shall be adjusted.

In case the Company can exercise control over the investee under common control for additional investment or other reasons, the initial investment cost of long-term equity investments is recognized at the share of book value of net asset of the acquiree after the combination in the consolidated financial statements of the ultimate controller on the combination date. The stock premium should be adjusted at the difference between the initial investment cost of long-term equity investments on the combination date and the book value of long-term equity investments before the combination plus the book value of consideration paid for additional shares; if there is no sufficient stock premium for write-downs, the retained earnings are adjusted.

Business combination not under the common control: the Company recognizes the combination cost determined on the combination date as the initial cost of long-term equity investments. Where the Company can control the investee not under common control from additional investments, the initial investment cost should be changed to be accounted for under the cost method and recognized at the sum of the book value of equity investments originally held and newly increased investment cost. Under business combination not under the common control, the auditing, legal services, consulting and other intermediary fees and other related administrative expenses for business combination will be included into current profit and loss upon occurrence; the transaction costs for the issuance of equity securities or debt securities shall be included into the initial recognition amount of equity securities or debt securities.

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

For long-term equity investments acquired from making payments in cash, the initial cost is the actually paid purchase cost.

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



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

3) Subsequent measurements and recognition of gain or loss

(1) Long-term equity investment under cost method

Long-term equity investments in subsidiaries are accounted for under the cost method. Except for the actual price paid for acquisition of investment or the cash dividends or profits contained in the consideration which have been declared but not yet distributed, the Company recognizes the investment income in the current year at the cash dividends or profits declared by the investee.

(2) Long-term equity investment accounted for in the equity method

The Company's long-term equity investments in associates and joint ventures are accounted for by using the equity method. If the initial cost is more than the share of the fair value of the investee's identifiable net asset to which the Company shall be entitled when investing, the initial cost of the long-term equity investment will not be adjusted. If the initial cost of a long-term equity investment is less than the share of the fair value of the investee's identifiable net asset to which the Company shall be entitled when investing, the difference shall be included in the current profit or loss.

The Company respectively recognizes the investment income and other comprehensive income according to the shares of net profit or loss and other comprehensive income realized by the investee that should enjoyed or assumed by the Company, and adjusts the book value of long-term equity investment; according to the profit declared to be distributed by the investee or the part shall be enjoyed cash dividends calculation, to reduce the book value of long-term equity investment correspondingly; for other changes in owners' equity excepting for all profit or loss of the investee, other comprehensive income and profit distribution, the book value of long-term equity investment shall be adjusted and included in the owners' equity.

When recognizing the share of net profit or loss of the investee that the Company shall enjoy, based on fair value of various identifiable assets and others of the investee on acquisition and according to accounting policies and accounting periods of the Company, the Company shall recognize such share after making adjustments to net profit of the investee. When holding the investment, the investee should prepare the consolidated financial



statements, it shall account for the investment income based on the net profit, other comprehensive income and the changes in other owner's equity attributable to the investee.

The Company shall write off the part of incomes from internal unrealized transactions between the Company and associates and joint ventures which are attributable to the Company according to the corresponding ratio and recognize the profit and loss on investments on such basis. Where the losses from internal transactions between the Company and the investee fall into the scope of assets impairment loss, the full amount of such losses should be recognized. For transactions on investments or sales of assets between the Company and associates and joint ventures, where such assets constitute business, they should be accounted for according to the relevant policies.

When the Company recognizes its share of loss incurred to the investee, treatment shall be done in the following sequence: firstly, the book value of the long-term equity investment shall be reduced; secondly, where the book value thereof is insufficient to cover the share of losses, investment losses are recognized to the extent of book value of other long-term equities which form net investment in the investee in substance and the book value of long term receivables shall be reduced. Finally, after all the above treatments, if the Company is still responsible for any additional liability in accordance with the provisions stipulated in the investment contracts or agreements, provisions are recognized and included into current investment loss according to the obligations estimated to undertake. An investing party shall recognize the net loss incurred by the invested entity until the book value of the long-term equity investment and other long-term interests which substantially form the net investment in the invested entity are reduced to zero, unless the investing party is obliged to undertake extra losses. If the invested entity realizes any net profit later, the investing party shall, after the amount of its attributable share of profits offsets its attributable share of the unrecognized losses, resume recognizing its attributable share of profits.

(3) Disposal of long-term equity investments

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

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

In case the joint control or significant influence over the investee is lost for disposing part of equity investments or other reasons, the remaining equity will be changed to be accounted for according to the recognition and measurement principles of financial instruments. The difference between the fair value and the book value on the



date of the loss of joint control or significant influence should be included in the current profit and loss. As to other comprehensive income recognized based on measurement of the original equity investment under the equity method, accounting treatment shall be made on the same basis as would be required if the investee had directly disposed of the assets or liabilities related thereto when measurement under the equity method is terminated. Owner's equity recognized from the investee's changes in other owner's equity other than net profit or loss, other comprehensive income and profit distribution should all transferred to the current profit and loss when the equity method confirmed is no longer adopted.

Where the Company loses the control over the investee due to disposal of partial equity investments or other reasons, when it prepares separate financial statements, the remaining equity after disposal that can jointly control or have significant influence on the investee will be measured at the equity method, and the remaining equity should be deemed to have been adjusted at equity method on acquisition;

If the remaining equity after disposal cannot exercise joint control or significant influence on the investee, such investments should be accounted for according to the provisions on the recognition and measurement of financial instruments and the difference between fair value and book value on the date of loss of the control should be included in the current profit and loss.

Where the disposed equities are acquired by the enterprise combination due to the reasons such as additional investment, the remaining equities after the disposal are calculated based on the cost method or equity method in preparing the individual financial statements, and other comprehensive income and other owners' equity recognized because of the equity method adopted for the calculation of the equity investment held prior to the purchase date are carried forward in proportion; the remaining equities after the disposal are changed to be made in accordance with the relevant provisions in the recognition and measurement criteria of financial instruments while other comprehensive income and other owners' equity are carried forward in full.

23. Investment property

Measurement mode

Measured by cost method

Depreciation or amortization method

Investment properties are properties to earn rentals or for capital appreciation or both. Examples include land leased out under operating leases, land held for long-term capital appreciation, buildings leased out under operating leases, (including buildings that have been constructed or developed for future lease out under operating leases, and buildings that are being constructed or developed for future lease out under operating leases).

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

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

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

2) Classification: Fixed assets can be classified into: buildings and constructions, electronic equipment, transport equipment, electronic entertainment equipment, other equipment and decoration improvements.

3) Initial measurement of fixed assets

Fixed assets shall be initially measured at actual costs on acquisition.

The costs of externally acquired fixed assets shall be determined by their purchase prices, related taxes and surcharges and any attributable transport expenses, loading and unloading expenses, installation expenses and professional service expenses incurred to prepare the fixed assets for its serviceable condition.

If the payment for a fixed asset is delayed beyond the normal credit conditions and it is of the financing nature, the cost of the fixed asset shall be determined on the basis of the current value of the purchase price.

Costs of self-built fixed assets consist of necessary expenditures incurred before preparing the asset to reach the condition for its intended use.

For fix assets obtained in debt restructuring by debtors for the settlement of his liabilities, their book-entry value should be initially stated based on their fair values. Differences between the book values and the fair values of the fix assets are included in the current profit and loss;

If the exchange of non-monetary assets has commercial substance, and the fair value of these assets can be measured reliably, the book-entry value of fixed assets traded in is determined on the basis of the fair value of the fixed assets traded out unless there is any conclusive evidence that the fair value of the assets traded in is more reliable; if the exchange of non-monetary assets does not meet the above criteria, the cost of the fixed assets traded in should be the book value of the assets traded out and relevant taxes and surcharges



payable, and no profit or loss shall be recognized.

For fixed assets acquired from business combination under common control, their book-entry values are recognized at the book values of the combinee; for fixed assets acquired from business combination not under common control, their book-entry values are recognized at the fair value.

The Company shall state the assets acquired under finance lease at the lower of the book value of the leased assets on the lease beginning date or the present value of the minimum lease payments.

(2) Depreciation method of fixed assets

Asset type	Depreciation method	Year for depreciation	Residual value rate	Yearly depreciation rate
Houses and buildings	Straight-line method	20-40	5%	4.75%-2.37%
Mechanical equipment	Straight-line method	8-20	5%	11.87%-4.75%
Entertainment equipment	Straight-line method	5-16	5%	19%-5.93%
Transportation equipment	Straight-line method	7-12	5%	13.57%-7.91%
Other equipment	Straight-line method	8	5%	11.87%

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

25. Construction in progress

The Company need to comply with the disclosure requirement under Industry Information Disclosure Guidelines of the Shenzhen Stock Exchange No.2 - Listed Companies Engaged in Related Business of Solid Mineral Resources

The book-entry values of the fixed assets are stated at total expenditures incurred before reaching working condition for their intended use. For construction in progress that has reached working conditions for its intended use but for which the completion of settlement has not been handled, it shall be transferred into fixed assets at the estimated value according to the project budget, construction price or actual cost, etc. from the date when it reaches the working conditions for its intended use. The fixed assets shall be depreciated in accordance with the Company's policy on fixed asset depreciation. Adjustment shall be made to the originally and provisionally estimated value based on the actual cost after the completion of settlement is handled, but depreciation already provided will not be adjusted.

The total amount of expenditure incurred by the project under construction before the construction of the asset reaches the expected usable condition is recorded as the entry value of the fixed assets. If the project under construction of fixed assets has reached the expected usable condition, but has not yet completed the final settlement of the project, it will be transferred to the fixed value by the estimated value according to the project



budget, cost or actual cost of the project from the date of the scheduled usable condition, and will be accrued the depreciation of fixed assets according to the Company's fixed assets depreciation policy, after the completion of final accounts, the original temporary valuation shall be adjusted according to the actual cost, but the original depreciation amount will not be adjusted.

26. Borrowing costs

1) Recognition principles of capitalization of borrowing costs

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

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

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

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

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

2) Capitalization period of borrowing costs

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

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

When some projects among the acquired and constructed or produced assets eligible for capitalization are completed and can be used separately, the capitalization of borrowing costs of such projects should be ceased.

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

3) Period of suspension for capitalization

If the acquisition and construction or production activities of assets eligible for capitalization are abnormally



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

4) Calculation of capitalization amount of borrowing costs

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

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

As for borrowings with discount or premium, the to-be-amortized discount or premium in each accounting period should be recognized by effective interest rate method, and the interest for each period should be adjusted.

27. Biological assets

28. Oil-and-gas assets

29. Right-of-use assets

30. Intangible assets

(1) Valuation method, useful lives and impairment

1) Valuation method of intangible assets

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

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

For an intangible asset obtained in debt restructuring by a debtor for the settlement of relevant liability, the book-entry value shall be initially recognized based on the fair value of the intangible asset. Difference between the book value of restructured debts and the fair value of the intangible asset used for debt off-set shall be



included in the current profit or loss;

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

For intangible assets acquired from business combination under common control, the initial book value are initially recognized at the book value of the combinee; for intangible assets acquired from business combination not under common control, the initial book value are initially recognized at the fair value.

Costs of intangible assets developed internally and independently include: the costs of materials and labor services used to develop the intangible assets, the registration fee, the amortization of other patents and franchise used in the process of development, the interest expenses meeting the condition for capitalization, and other direct expenses for preparing the intangible assets for their intended use.

(2) Subsequent measurement

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

For intangible assets with definite useful lives, the Company shall adopt the straight-line method for amortization within the period during which they can bring economic benefits to the Company; where the period during which they can bring economic benefits to the Company cannot be forecast, those intangible assets shall be deemed as assets with indefinite lives and no amortization will be made.

2) Estimates of useful lives of intangible assets with definite useful lives

Item	Estimated useful lives	Basis
Land use rights	50 years	Use term for the land use right title

The useful life and amortization method of intangible assets with limited useful life are reviewed at the end of each period.

Upon review, the useful lives and amortization method of the intangible assets as at the end of the year were not different from those estimated before.

3) Judgment basis for intangible assets with indefinite useful lives

As at the balance sheet date, the Company has no intangible assets with indefinite useful lives.

(2) Accounting policy of internal R&D expenditures

31. Impairment of long-term assets

For the long-term equity investments, investment properties, fixed assets, construction in progress, intangible assets, and other long-term assets measured at cost model, if there are signs of impairment, an impairment test will be conducted on the balance sheet date. If impairment test results indicate that the recoverable amounts of the



assets are lower than their book value, the provision for impairment is made based on the differences, which are recognized as impairment losses. The recoverable amounts of intangible assets are the higher of their fair values less costs to sell and the present values of the future cash flows expected to be derived from the assets. The assets impairment provision is calculated and made on an individual basis. If it is difficult for the Company to estimate the recoverable amount of the individual asset, the recoverable amount of an asset group to which the said asset belongs to will be determined. Asset group is the minimum combination of assets that can independently generate cash inflows.

After the losses from asset impairment are recognized, they are not reversed in subsequent periods.

32. Long-term deferred expenses

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

1) Amortization method

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

2) Amortization period

Item	Amortization period
Hotel exterior decoration	4 years
Fire stairs renovation	4 years
C FLOOR ROOM RENOVATION	5 years
Villa renovation	5 years
Swimming pool renovation	5 years

33. Contract liabilities

34. Employee compensation

(1) Accounting method for short-term compensation

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

The appropriate amount of employee compensation payable will be determined during the accounting period when the employees provide services for the Company based on the medical insurance, work injury insurance and maternity insurance and other social insurance and housing fund paid by the Company for employees, as well as trade union funds and employee education funds withdrawn according to provisions at the accrual basis and accrual ratio.



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

(2) Accounting method for dismissal welfare

When the Company fails to unilaterally withdraw the dismissal benefits offered due to the termination of the labor relation plan or layoff proposal, or confirms the costs or fees associated with the reorganization involving the payment of the dismissal benefits (whichever is earlier), the employee compensation liabilities arising from the confirmation of dismissal benefits are included in the current profit or loss.

(3) Accounting method for post-employment benefits

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

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

35. Lease liability

36. Estimated liabilities

When the Company is involved in litigation, debt guarantees, loss-making contract, reorganization matters, if such matters are likely to be satisfied by delivery of assets or provision of services in the future and the amount can be measured reliably, they shall be recognized as estimated liabilities.

1) Recognition criteria for 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 such obligation may well cause outflows of economic benefits from the Company; and
- (3) The amount of such obligation can be measured reliably.

2) Measurement method of estimated liabilities

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

When the Company determines the best estimate, it should have a comprehensive consideration of risks with



respect to contingencies, uncertainties and the time value of money. If the time value of money is significant, the best 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 estimates will 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 despite such a range exists, in case that the contingency involves a single item, the best estimate shall be determined at the most likely outcome; if the contingency involves two or more items, the best estimate should be determined according to all the possible outcomes with their relevant probabilities.

When all or 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

Does the Company need to comply with the disclosure requirement of the special industry

No

Whether the new revenue standards been implemented

Yes No

40. Government grants

1) Type

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

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



2) Recognition time and measurement

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

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

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

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

3) Accounting treatment

A- Asset-related government grants

shall be used to offset the book value of relevant assets or recognized as deferred income. If asset-related government grants are recognized as deferred income, they shall be included in profit or loss by stages by a reasonable and systematic method within the useful lives of relevant assets. Government grants measured at the nominal amount are directly included in the current profit or loss.

Where relevant assets are sold, transferred, scraped or damaged before the end of their lives, balance of the relevant unallocated deferred income is transferred to the current profit and loss on asset disposal.

B- Accounting treatment will be conducted for government grants associated with income in accordance with the following provisions:

- a) government grants associated with income that are used to recover relevant costs or losses of the enterprise in subsequent period are recognized as deferred income and included in the current profit or loss when relevant costs or losses are recognized;
- b) If government grants related to income are used to compensate the relevant costs and losses that have occurred, such government grants should be directly included in the current profit or loss.
- c) Where both the asset-related government grants and income-related government grants are covered, the accounting treatment should be done respectively by distinguishing the asset-related government grants and



income-related government grants; if it is difficult to distinguish, these government grants will be classified into the income-related government grants as a whole.

C-Any government grant related to the daily activities of an enterprise shall be included into other income in accordance with the business nature. Government grants unrelated to the daily activities of enterprises shall be recorded as non-operating revenues and expenditures.

41. Deferred tax assets and deferred tax liabilities

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

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

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

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

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



42. Lease

(1) Accounting treatment of operating lease

1) Accounting treatment of assets leased

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) Accounting treatment of leasing-out assets

Lease fees received by the Company from leasing assets shall be amortized at straight-line method over the whole lease period including rent-free period, and shall be recognized as lease income. Initial direct costs relating to lease transactions incurred by the Company shall be recognized as the current expenses; if the amounts are significant, they shall be capitalized and included in the current income on the same basis as the recognition of lease income.

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

(2) Accounting treatment of finance lease

43. Other principal accounting policies and accounting estimates

44. Changes to principal accounting policies and accounting estimates

(1) Changes in principal accounting policies

Applicable Not applicable

(2) Changes in principal accounting estimates

Applicable Not applicable

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



Applicable√Not applicable

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

Applicable√Not applicable

45. Other

VI. Taxation

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

Taxes	Basis for tax assessment	Tax rate
Value added tax (VAT)	Output VAT is calculated based on taxable sales revenue and service 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%, 10%, 13%
Urban maintenance and construction tax	Levied based on VAT payable	7%
Enterprise income tax	Levied based on the taxable income	25%
Education surtax	Levied based on VAT payable	3%
Local education surtax	Levied based on VAT payable	2%
Housing property tax	Remaining value after deducting 30% from the original value of the house (including the occupied land price), and rent revenue	1.2%, 12%
Land use tax	Land area	RMB 18 / m ²

Disclose reasons for different taxpaying body: Nil

2. Tax preference

3. Other

VII. Notes to the items of financial statements

1. Monetary Fund

In RMB/CNY

Item	Ending balance	Beginning balance
Cash on hand	476,191.77	347,782.65
Bank deposits	15,634,704.18	15,016,572.65
Total	16,110,895.95	15,364,355.30

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/CNY

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Accounts receivable with provision for bad debts based on single item										
Accounts receivable with provision for bad debts based on portfolios	230,062.48	100.00%	74,075.60	32.20%	155,986.88	500,510.47	100.00%	74,075.60	14.80%	426,434.87
Total	230,062.48	100.00%	74,075.60	32.20%	155,986.88	500,510.47	100.00%	74,075.60	14.80%	426,434.87

Provision for bad debts based on single item: nil

Provision for bad debt based on portfolios: nil

If the provision for bad debts of accounts receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other receivables to disclose the related information on bad debts:

 Applicable Not applicable

Released by account age

In RMB/CNY

Account age	Ending balance
Within 1 year (inclusive)	139,108.68
1-2 years	566.00
2-3 years	785.00
3-4 years	18,633.00
4-5 years	3,397.00
Over 5 years	67,572.80
Total	230,062.48

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

Provision for bad debt in the period

In RMB/CNY

Category	Beginning balance	Amount changed in the period			Ending balance
		Accrual	Reversal or switch-back	Charge off	
Based on portfolios	74,075.60				74,075.60
Total	74,075.60				74,075.60

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**

Name	Relationship with the Company	Book balance	Account age	Proportion in total amount of accounts receivable(%)
Shanghai Hecheng International Travel Service Co., Ltd.	Non-related party	35,788.40	Within 1 year	15.56%
Yangpu Huayu Road and Bridge Technology Co., Ltd.	Non-related party	18,633.00	Over 5 years	8.10%
Guangzhou Institute of Design	Non-related party	38,980.00	Over 5 years	16.94%
Shenzhen Tenpay Technology Co., Ltd.	Non-related party	46,621.46	Within 1 year	20.26%
Tianjin Watermelon Tourism Limited Liability Company	Non-related party	24,414.82	Within 1 year	10.61%
Total		164,437.68		71.47%

(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****7. Advance payment****(1)Disclosure of advance payment by account age**

In RMB/CNY

Account age	Ending balance		Beginning balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	396,882.60	100.00%	39,960.01	100.00%



Total	396,882.60	--	39,960.01	--
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Explanation on reasons of failure to settle on important advance payment with age over one year: Nil

(2) Top five advances payment in terms of the ending balance collected by the prepaid object

Shenzhen J&J Space Design Co., Ltd.	213,592.23	53.82%
Sanya Shengxiang Mechatronics Engineering Co., Ltd.	110,415.00	27.82%
Hainan Haolong Fire Engineering Co., Ltd.	58,925.37	14.85%
Sanya Xingcai Electrical Co., Ltd.	13,230.00	3.33%
Business Daily of International Tourism Island	720.00	0.18%
Total	396,882.60	

Other explanation: nil

8. Other receivable

In RMB/CNY

Item	Ending balance	Beginning balance
Other receivable	1,242,181.64	458,242.73
Total	1,242,181.64	458,242.73

(1) Interest receivable: Nil

(2) Dividend receivable: Nil

(3) Other account receivables

1) Other account receivable disclosed by nature

In RMB/CNY

Nature	Ending book balance	Opening book balance
Utility bills	206,254.34	185,368.69
Petty cash	838,955.14	133,411.23
Attorney fee	77,534.25	77,534.25
Court cost	62,970.00	
Social insurance and housing provident funds	57,803.91	63,264.56
Deposit	600.00	600.00
Total	1,244,117.64	460,178.73

2) Provision for bad debt: nil

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

Applicable Not applicable

Released by account age

In RMB/CNY



Account age	Ending balance
Within 1 year (inclusive)	1,241,881.64
4-5 years	600.00
Over 5 years	1,636.00
Total	1,244,117.64

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

Provision for bad debt in the period

In RMB/CNY

Category	Beginning balance	Amount changed in the period		Ending balance
		Accrual	Reversal or switch-back	
Based on portfolios	1,936.00			1,936.00
Total	1,936.00			1,936.00

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

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

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

In RMB/CNY

Name	Nature	Ending balance	Account age	Proportion in total amount of other accounts receivable at period-end	Ending balance of provision for bad debt
Wen Ping	Petty cash	710,000.00	Within 1 year	57.16%	0.00
Hainan New Concept Law Firm	Attorney fee	77,534.25	Within 1 year	6.23%	0.00
Peng Guoxing	Utility bills	70,422.98	Within 1 year	5.66%	0.00
Sanya Suburbs People's Court	Court cost	62,970.00	Within 1 year	5.06%	0.00
Guo Yubo	Petty cash	60,369.61	Within 1 year	4.85%	0.00
Total	--	981,296.84	--	78.88%	0.00

6) Account receivables related to government subsidies: Nil

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

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

9. Inventories

Whether the new revenue standards been implemented

Yes No

(1) category of inventories

In RMB/CNY



Item	Ending balance			Beginning balance		
	Book balance	Provision for price decline	Book value	Book balance	Provision for price decline	Book value
Raw materials	836,342.72	683,941.58	152,401.14	870,043.52	725,731.58	144,311.94
Finished goods	22,771.38	11,102.41	11,668.97	22,771.38	11,102.41	11,668.97
Food and beverage	12,526.82		12,526.82	43,935.10		43,935.10
Fuel	15,096.64		15,096.64	21,474.18		21,474.18
Total	886,737.56	695,043.99	191,693.57	958,224.18	736,833.99	221,390.19

Does the Company comply with the disclosure requirement of “Information Disclosure Guidelines of Shenzhen Stock Exchange No.4-Listed Companies Engaged in Seed Industry and Planting Business” or not

No

(2) Provision for inventory depreciation

In RMB/CNY

Item	Beginning balance	Increase in the period		Decrease in the period		Ending balance
		Accrual	Others	Reversal or write-off	Others	
Raw materials	725,731.58			41,790.00		683,941.58
Finished goods	11,102.41					11,102.41
Total	736,833.99			41,790.00		695,043.99

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

(4) Assets completed without unsettlement from construction contract at period-end: Nil

10. Contract assets: nil

11. Assets held for sale: nil

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

13. Other current assets

Whether the new revenue standards been implemented

Yes No

In RMB/CNY

Item	Ending balance	Beginning balance
Enterprise income tax paid in advance	1,702,702.80	1,702,702.80
Input tax to be deducted	385,035.78	103,556.98
Prepaid pending expenses	37,880.58	39,960.01
Total	2,125,619.16	1,846,219.79



Other explanation: nil

14. Creditors investment: nil**15. Other creditors investment: nil****16. Long-term account receivable: nil****17. Long-term equity investment: nil****18. Investment in other equity instrument: nil****19. Other non-current financial assets: nil****20. Investment property****(1) Investment properties measured at cost**

√Applicable □Not applicable

In RMB/CNY

Item	Houses and buildings	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.Increase in the period				
(1)Outsourcing				
(2)Transfer from inventories/fixed assets/construction in process				
(3)Increase from business combinations				
3.Decrease in the period				
(1)Disposal				
(2)Other transfer-out				
4.Ending balance	18,856,504.44	5,662,740.59		24,519,245.03
II. Accumulated depreciation and accumulated amortization				
1.Beginning balance	10,607,583.54	2,219,726.45		12,827,309.99
2.Increase in the period	209,091.78	28,170.00		237,261.78
(1)Accrual or amortization	209,091.78	28,170.00		237,261.78



3. Decrease in the period				
(1) Disposal				
(2) Other transfer-out				
4. Ending balance	10,816,675.32	2,247,896.45		13,064,571.77
III. Provision for impairment				
1. Beginning balance	1,404,400.47	1,903,054.14		3,307,454.61
2. Increase in the period				
(1) Accrual				
3. Decrease in the period				
(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	6,635,428.65	1,511,790.00		8,147,218.65
2. Opening book value	6,844,520.43	1,539,960.00		8,384,480.43

(2) Investment real estate measured by fair value

□Applicable√Not applicable

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

In RMB/CNY

Item	Ending balance	Beginning balance
Fixed assets	34,997,520.16	36,497,869.65
Total	34,997,520.16	36,497,869.65

(1) Fixed assets details

In RMB/CNY

Item	Houses and buildings	Mechanical equipment	Transportation equipment	Electronic equipment	Other equipment	Total
I. Original book value:						
1. Beginning balance	136,789,501.82	11,033,550.54	2,345,074.91	2,664,528.39	1,926,451.84	154,759,107.50
2. Increase in the period				20,635.87	20,101.94	40,737.81
(1) Purchase				20,635.87	20,101.94	40,737.81
(2) Transfer from construction in process						



(3)Increase from business combinations						
3.Decrease in the period		1,420,474.00		619,394.00	193,633.45	2,233,501.45
(1)Disposal or scrap		1,420,474.00		619,394.00	193,633.45	2,233,501.45
4.Ending balance	136,789,501.82	9,613,076.54	2,345,074.91	2,065,770.26	1,752,920.33	152,566,343.86
II. Accumulated depreciation						
1.Beginning balance	72,499,344.50	7,970,060.88	1,587,022.54	1,938,853.10	1,224,791.47	85,220,072.49
2.Increase in the period	1,087,717.44	143,758.48	82,783.92	87,864.93	87,053.97	1,489,178.74
(1)Accrual	1,087,717.44	143,758.48	82,783.92	87,864.93	87,053.97	1,489,178.74
3.Decrease in the period		1,008,698.30		595,910.37	173,760.82	1,778,369.49
(1)Disposal or scrap		1,008,698.30		595,910.37	173,760.82	1,778,369.49
4.Ending balance	73,587,061.94	7,105,121.06	1,669,806.46	1,430,807.66	1,138,084.62	84,930,881.74
III. Provision for impairment						
1.Beginning balance	31,072,788.17	1,968,377.19				33,041,165.36
2.Increase in the period						
(1)Accrual						
3.Decrease in the period		403,223.40				403,223.40
(1)Disposal or scrap		403,223.40				403,223.40
4.Ending balance	31,072,788.17	1,565,153.79				32,637,941.96
IV. Book value						
1.Ending book value	32,129,651.71	942,801.69	675,268.45	634,962.60	614,835.71	34,997,520.16
2.Opening book value	33,217,369.15	1,095,112.47	758,052.37	725,675.29	701,660.37	36,497,869.65



(2) Temporarily idle fixed assets: Nil

(3) Fixed assets acquired by financing lease: Nil

(4) Fixed assets acquired by operating lease: Nil

(5) Certificate of title un-completed: Nil

(6) Disposal of fixed assets: Nil

22. Construction in process: Nil

23. Productive biological asset

(1) Measured by cost

Applicable Not applicable

(2) Measured by fair value

Applicable Not applicable

24. Oil and gas assets

Applicable Not applicable

25. Right-of-use assets: Nil

26. Intangible assets

(1) Intangible assets

In RMB/CNY

Item	Land use rights	Patent right	Non-patents technology		Total
I. Original book value					
1. Beginning balance	81,653,137.15				81,653,137.15
2. Increase in the period					
(1) Purchase					
(2) Internal research and development					
(3) Increase from business combinations					



3. Decrease in the period					
(1) Disposal					
4. Ending balance	81,653,137.15				81,653,137.15
II. Accumulated amortization					
1. Beginning balance	32,007,051.27				32,007,051.27
2. Increase in the period	406,193.58				406,193.58
(1) Accrual	406,193.58				406,193.58
3. Decrease in the period					
(1) Disposal					
4. Ending balance	32,413,244.85				32,413,244.85
III. Provision for impairment					
1. Beginning balance	27,440,836.84				27,440,836.84
2. Increase in the period					
(1) Accrual					
3. Decrease in the period					
(1) Disposal					
4. Ending balance	27,440,836.84				27,440,836.84
IV. Book value					
1. Ending book value	21,799,055.46				21,799,055.46
2. Opening book value	22,205,249.04				22,205,249.04

Ratio of the intangible assets from internal R&D in balance of intangible assets at period-end was 0%.

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

27. Development expenditure: Nil

28. Goodwill: Nil

29. Long-term deferred expenses

In RMB/CNY



Item	Beginning balance	Increase in the period	Amortization in the period	Other decreased	Ending balance
Maintenance fee for main engine system of the central AC		50,116.50			50,116.50
Renovation of guest rooms in Building-B	486,974.57		292,184.70		194,789.87
Fire stairs renovation in Building-A	45,695.20		8,567.82		37,127.38
Renovation of guest rooms in Building-C, villa and swimming pool	2,260,206.30		301,360.80		1,958,845.50
Total	2,792,876.07	50,116.50	602,113.32		2,240,879.25

Other explanation: nil

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

31. Other non-current assets

Whether the new revenue standards been implemented

Yes No

Other explanation: 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/CNY

Item	Ending balance	Beginning balance
Payment for purchase	170,266.19	687,690.30
Accounts payable provisionally estimated	660,218.61	534,359.35
Service charges	93,168.29	155,368.88
Payment for projects	14,274.10	134,274.10
Elevator maintenance fee	31,670.00	31,670.00
Advertisement fees	30,500.30	31,195.28
Consignment sales		22,335.90
Other	1,093.00	10,942.00



Water rate	52,428.54	
Natural gas fee	23,398.40	
Total	1,077,017.43	1,607,835.81

(2)Major account payable with over one year account age: nil**37. Advances from customers**

Whether the new revenue standards been implemented

Yes No**(1)Presentation of advances from customers**

In RMB/CNY

Item	Ending balance	Beginning balance
Room and meal charge	779,681.12	1,291,293.05
Total	779,681.12	1,291,293.05

(2)Significant advances from customers with aging more than one year

In RMB/CNY

Item	Ending balance	Reasons for failure of repayment or carry-forward
Guangzhou Nanbu Holiday International Travel Service Co., Ltd. Sanya Branch	101,244.00	Unsettled
Hainan Xiangyuan Tourism Development Co., Ltd.	39,851.00	Unsettled
PEGAS Zheng Qingbo	32,243.02	Unsettled
Hainan Qiongzong Ecological Investment Guarantee Co., Ltd.	22,926.00	Unsettled
Sanya City Public Security Fire Brigade	19,420.88	Unsettled
Total	215,684.90	--

(3)Projects settlement without unfinished at period-end from construction contract: Nil**38. Contract liability: nil****39. Employee compensation payable****(1)Classification of employee compensation payable**

In RMB/CNY

Item	Beginning balance	Increase in the period	Decrease in the period	Ending balance



I. Short-term compensation	2,841,262.35	6,031,396.03	7,044,691.32	1,827,967.06
II. Post-employment benefits - defined contribution plans		547,368.99	547,368.99	
Total	2,841,262.35	6,578,765.02	7,592,060.31	1,827,967.06

(2) Presentation of short-term compensation

In RMB/CNY

Item	Beginning balance	Increase in the period	Decrease in the period	Ending balance
1. Salaries, bonuses, allowances and subsidies	1,762,269.70	4,759,360.01	5,722,074.66	799,555.05
2. Employee welfare expenses		759,981.75	759,981.75	
3. Social insurance premiums		255,539.72	255,539.72	
Including: medical insurance premiums		236,205.39	236,205.39	
Work-related injury insurance premiums		4,568.36	4,568.36	
Maternity insurance premiums		14,765.97	14,765.97	
4. Housing provident funds		90,050.00	90,050.00	
5. Labor union expenditures and employee education funds	1,078,992.65	166,464.55	217,045.19	1,028,412.01
Total	2,841,262.35	6,031,396.03	7,044,691.32	1,827,967.06

(3) Presentation of defined contribution plans

In RMB/CNY

Item	Beginning balance	Increase in the period	Decrease in the period	Ending balance
1. Basic endowment insurance premiums		532,614.48	532,614.48	
2. Unemployment insurance premiums		14,754.51	14,754.51	
Total		547,368.99	547,368.99	

Other explanation: nil

40. Taxes payable

In RMB/CNY

Item	Ending balance	Beginning balance
Value added tax (VAT)	565,131.47	146,863.56
Individual income tax	25,850.99	-0.02
Urban maintenance and construction tax	2,108.62	761.67



Housing property tax	97,050.95	194,101.69
Land use tax	54,295.47	108,590.92
Education surtax	903.68	326.42
Local education surtax	602.48	217.63
Total	745,943.66	450,861.87

Other explanation: nil

41. Other account payable

In RMB/CNY

Item	Ending balance	Beginning balance
Other account payable	2,942,968.71	2,727,483.66
Total	2,942,968.71	2,727,483.66

(1)Interest payable: Nil

(2)Dividend payable: Nil

(3)Other account payable

1)Presentation of other account payable by nature

In RMB/CNY

Item	Ending balance	Beginning balance
Employee dormitory rental fees, etc.	975,525.11	971,723.12
Margin	20,000.00	890,958.75
Audit fee	285,003.21	285,003.21
Quality guarantee deposit for projects	204,180.90	190,344.00
Employee deposit	86,520.00	165,700.90
Payment for projects	161,111.03	162,569.78
Funds collected and remitted	793,268.57	36,408.47
Individual current amounts	1,315.34	1,364.00
Electric charges withheld	24,494.55	23,411.43
Announcement fee	391,550.00	
Total	2,942,968.71	2,727,483.66

2)Other significant account payable with aging of over one year

In RMB/CNY

Item	Ending balance	Reasons for failure of repayment or carry-forward
Yangpu Jinyu Industrial Co., Ltd.	627,000.00	Unsettled
Hong Kong Deloitte & Touche LLP	285,003.21	Unsettled
Sanya Shuxin Housing Waterproof Engineering Co., Ltd.	170,000.00	Unsettled



China Building Decoration Company Hainan Branch	161,111.03	Unsettled
Total	1,243,114.24	--

Other explanation: nil

42. Liability held for sale: Nil

43. Non-current liability due within one year: Nil

44. Other current liability: Nil

45. Long-term loans: Nil

46. Bond payable: Nil

47. Lease liability: nil

48. Long-term account payable: nil

49. Long-term employee payable: nil

50. Estimated liabilities

Whether the new revenue standards been implemented

Yes No

In RMB/CNY

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

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

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.

51. Deferred income: nil

52. Other non-current liability: nil

Whether the new revenue standards been implemented

Yes No

53. Share capital

In RMB/CNY

	Beginning balance	Changes ("+" for increase and "-" for decrease)					Ending balance
		Issuance of new shares	Share donation	Public reserve transferred to shares	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/CNY

Item	Beginning balance	Increase in the period	Decrease in the 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 explanation, 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 profits**

In RMB/CNY

Item	Current period	Last period
Undistributed profits at the end of last year before adjustment	-340,454,153.72	-341,107,435.91
Undistributed profits at the beginning of the year after adjustment	-340,454,153.72	-341,107,435.91
Plus: net profit attributable to owners of the parent company in current period	755,974.01	1,282,165.58
Undistributed profit as at the end of the year	-339,698,179.71	-339,825,270.33

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 income and operating costs

In RMB/CNY

Item	Current period		Last period	
	Income	Cost	Income	Cost
Main business	14,241,961.04	5,514,477.93	16,173,929.32	6,000,063.36
Total	14,241,961.04	5,514,477.93	16,173,929.32	6,000,063.36

Whether the new revenue standards been implemented

Yes No

Other explanation: nil

62. Taxes and surcharges

In RMB/CNY

Item	Current period	Last period
Urban maintenance and construction tax	31,410.84	37,515.65
Education surtax	22,436.31	26,796.89
Housing property tax	215,587.50	431,174.78



Land use tax	108,590.94	217,181.82
Vehicle and vessel use tax	5,220.00	3,669.06
Stamp tax	233.91	182.70
Total	383,479.50	716,520.90

Other explanation: nil

63. Sales expenses

In RMB/CNY

Item	Current period	Last period
Staff wages and benefits	1,834,677.00	1,841,236.40
Social workers insurance expenses	302,950.00	285,734.45
Depreciation	259,401.60	256,486.12
Utility bills	99,980.13	84,101.36
Repair charges	95,930.17	58,716.18
Other expenses	217,053.04	274,681.59
Total	2,809,991.94	2,800,956.10

Other explanation: nil

64. Administrative expenses

In RMB/CNY

Item	Current period	Last period
Staff wages and benefits	2,789,891.55	2,809,454.64
Social workers insurance expenses	321,053.70	266,303.18
Entertainment expenses	219,787.57	496,075.07
Travelling expenses	149,081.98	68,678.82
Amortization for the depreciation and land use right	567,140.44	550,590.01
Announcement fee and agency charge	655,420.00	656,245.72
Other expenses	369,424.97	509,107.77
Total	5,071,800.21	5,356,455.21

Other explanation: nil

65. R&D expenses: nil

66. Financial expenses

In RMB/CNY

Item	Current period	Last period
Handling charges	18,965.03	40,293.06
Less: interest income	-152,697.12	-22,729.87



Total	-133,732.09	17,563.19
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Other explanation: nil

67. Other income: nil

68. Investment income: nil

69. Net open hedging benefits: nil

70. Gains from fair value changes: nil

71. Credit impairment loss: nil

72. Losses on assets impairment: nil

Whether the new revenue standards been implemented

Yes No

73. Income from assets disposal: nil

74. Non-operating income

In RMB/CNY

Item	Current period	Last period	Amount included in non-recurring profit and loss in the current period
Other	160,030.46	273.00	160,030.46
Total	160,030.46	273.00	160,030.46

Government subsidies reckoned into current gains/losses: nil

75. Non-operating expenses

In RMB/CNY

Item	Current period	Last period	Amount included in non-recurring profit and loss in the current period
Gains/losses from non-current assets scrapping		477.98	
Total		477.98	

Other explanation: nil

**76. Income tax expenses****(1) Statement of income tax expenses: nil****(2) Adjustment process of accounting profit and income tax expenses**

In RMB/CNY

Item	Current period
Total profit	755,974.01
Make up the annual losses of previous years	755,974.01

Other explanation: nil

77. Other comprehensive income

See Note

78. Notes to items of the cash flow statement**(1) Cash received from other operating activities**

In RMB/CNY

Item	Current period	Last period
Interest income	152,697.12	22,729.87
Other expenses	952,744.76	661,422.77
Total	1,105,441.88	684,152.64

Explanation: nil

(2) Cash paid for other operating activities

In RMB/CNY

Item	Current period	Last period
Social intercourse fees	221,362.57	497,075.07
Intermediary audit fee	400,000.00	400,000.00
Announcement fee	238,420.00	220,000.00
Travelling expenses	151,940.09	72,159.01
Promotion fee	92,705.15	109,649.14
Repair charges	211,454.36	163,503.73
Other expenses	978,613.63	212,185.21
Total	2,294,495.80	1,674,572.16

Explanation: nil



(3) Cash received from other investment activities: nil

(4) Cash paid for other investing activities: nil

(5) Cash received from other financing activities: nil

(6) Cash paid for other financing activities: nil

79. Supplementary information to statement of cash flows

(1) Supplementary information to statement of cash flows

In RMB/CNY

Item	Current period	Last period
1. Net profit adjusted to cash flows from operating activities	--	--
Net profits	755,974.01	1,282,165.58
Depreciation of fixed assets, depreciation and depletion of oil and gas assets and depreciation of productive biological assets	1,698,270.52	1,799,584.50
Amortization of intangible assets	434,363.58	434,363.58
Amortization of long-term fees to apportioned	602,113.32	609,770.58
Loss from fixed assets scrapping ("-" for gains)		477.98
Decreases in inventories ("-" for increases)	29,696.62	-37,615.58
Decreases in operating receivables ("-" for increases)	-513,490.92	-326,357.40
Increases in operating payable ("-" for decreases)	-1,737,510.48	-651,711.64
Net cash flows from operating activities	1,269,416.65	3,110,677.60
2. Significant investing and financing activities not involving cash receipts and payments	--	--
3. Net changes in cash and cash equivalents	--	--
Balance of cash at the end of the period	16,110,895.95	11,751,658.64
Less: balance of cash at the beginning of the period	15,364,355.30	9,681,607.16
Net increase in cash and cash equivalents	746,540.65	2,070,051.48

(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) Breakdown of cash and cash equivalents

In RMB/CNY

Item	Ending balance	Beginning balance
I. Cash	16,110,895.95	15,364,355.30



Including: cash on hand	476,191.77	347,782.65
Unrestricted bank deposits	15,634,704.18	15,016,572.65
III. Ending balance of cash and cash equivalents	16,110,895.95	15,364,355.30

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: nil

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: nil

(2)Refund of government subsidy

Applicable Not applicable

Other explanation: nil

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

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

Yes No**(5) Explanation on combined consideration or the identifiable assets and liabilities' fair value of the purchased party on purchasing date or at the end of the current period of merger, which is impossible to determine in a reasonable way:****(6) Other explanation: nil****2. Enterprise consolidation under the same control****(1) Enterprise consolidation under the same control in current period**

In RMB/CNY

Combined party	Equity ratio obtained in combination	Basis of combined under the same control	Combination date	Standard to determine the combination date	Income of the combined party from period-begin of combination to the combination date	Net profit of the combined party from period-begin of combination to the combination date	Income of the combined party during the comparison period	Net profit of the combined party during the comparison period
Hainan Wengao Tourist Resources Development Co., Ltd.	100.00%	A wholly-owned subsidiary	8 June 2018	Establishment date	0.00	498.79	0.00	0.00

Other explanation: nil

**(2) Combined cost**

In RMB/CNY

Combined cost	
Cash	500,798.36
Book value of the non-cash assets	499,700.43

Explanation on contingent consideration and changes: nil

Other explanation: nil

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

In RMB/CNY

	Combining date	Period-end of last period
Monetary Fund	500,798.36	1,000,000.00
Account receivable	499,700.43	
Net assets	1,000,498.79	1,000,000.00
Net assets obtained	1,000,498.79	1,000,000.00

Contingent liabilities assumed by the merged party in a business combination: nil

Other explanation: nil

3. Counter purchase

Basic information of transactions, basis of transactions constituting counter purchase, whether assets and liabilities reserved by listed companies constituting business and their basis, confirmation of combined cost, the amount occurred when adjusting rights and interests in accordance with equity transaction and its calculation: 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****IX. Equity in other entity****1. Equity in the subsidiary****(1)Composition of enterprise**

Subsidiary	Main operation place	Registration place	Business nature	Share-holding ratio		Gaining method
				Directly	In-directly	
Hainan Wengao Tourist Resources Development Co., Ltd.	Hainan Province, China	Sanya City, China	Industrial development	100.00%		Cash investment

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) Changes in owners' equity in subsidiary: nil

(2) Impact on minority shareholders' equity and owners' equity attributable to parent company from the transaction: nil

3. Equity in arrangement of joint venture or associated enterprises

(1) Major joint venture or associated enterprise: nil

(2) Financial information of the major joint venture: nil

(3) Financial information of the major associated enterprise: nil

(4) Summary of financial information for un-important joint venture and associated enterprise: nil

(5) Explanation of the major restriction on the ability of transferring funds to the Company from joint venture or associated enterprise: nil

(6) Excess loss from joint venture or associated enterprise: nil

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

(8) Contingent liabilities relating to the investment in joint venture or associated enterprise: nil

4. Important common management: nil

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

6. Other

X. Risks related to financial instruments

**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**

Parent company	Registered place	Nature of Business	Registered Capital	Shareholding ratio in the Company	Voting ratio in the Company
Luoniushan Co., Ltd.	Haikou City	Plant and culturing	1151.51 million Yuan	17.55%	19.80%

Note:

As of 30 June 2019, Luoniushan Co., Ltd. (hereinafter referred to as Luoniushan) and its wholly-owned subsidiary Hainan Ya'anju Property Service Co., Ltd. holds 72.092 million shares of the Company under A-stock, totally takes 19.80% in total share capital of the Company, and it is the first largest shareholder of the Company.

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

Other explanation: nil

**2. Subsidiary of the Enterprise**

Found more in Notes

3. Joint venture and associated enterprise: nil**4. Other related party: nil****5. Related transaction****(1) Transaction with goods purchasing ,labor service offering/receiving concerned**

Purchasing goods/received labor service: nil

Sales of goods/provided labor service:

In RMB/CNY

Related party	Content	Current period	Last period
Luoniushan Co., Ltd.	Room and meal charge	125,150.00	176,779.00

Explanation: nil

(2) Associated trusteeship management/contract and trusteeship/outsourcing: nil**(3) Related-party lease: nil****(4) Related-party guarantee: nil****(5) Related-party funds lending: nil****(6) Related-party asset transfer and debt restructuring: nil****(7) Key management compensation: nil****(8) Other related transactions: nil****6. Related party's account receivable/payable****(1) Receivable**

In RMB/CNY

Item	Related party	Ending balance		Beginning balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Account receivable	Luoniushan Co., Ltd.	6,387.00		13,153.00	



(2) Payable: nil

7. Related party's commitment

8. Other

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

5. Other

XIV. Commitments and contingencies

1. Material commitments

Major commitments on balance sheet date

The Company has no commitments that need to disclosed up to balance sheet date

2. Contingencies

(1) Major contingencies on balance sheet date

On May 26, 2016, the Company received lawyer's letter of Hainan Yunfan law firm which is entrusted by Hainan Power Grid Co., LTD Sanya Power Supply Bureau (hereinafter referred to as the "Sanya Power Supply Bureau"), the letter claims that Sanya Power Supply Bureau found that the Company's subsidiary South China Grand Hotel of Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd's the amount of CT is different with its marketing management system record. The inconformity time is July, 2006, and the hotel's CT is changing on April, 2016. Therefore, undercounted electricity consumption amount is 10,313,373.00 kilowatt-hours, and estimated cost is 7,200,165.75 Yuan as various electricity prices and charges.



(2) For no major contingencies disclosed, explain reasons

The Company has no major contingencies should be disclosed

3. Other

XV. Event after balance sheet date

1. Major non-adjustment events: nil

2. Profit distribution: nil

3. Sales return: nil

4. Explanation on other events after balance sheet date: nil

XVI. Other significant events

1. Correction of accounting errors in previous periods: nil

2. Debt reorganization

3. Assets exchange

**(1) Non-monetary assets exchange****(2) Other assets exchange****4. Annuity plan****5. Termination of operation: nil****6. Segment information****(1) Basis of determination and accounting policy for the reportable segment****(2) Financial information of reportable segment: nil**

(3) Where there is no reportable segment, or the total assets and liabilities for such segment can not be released, the reasons shall be explained

(4) Other explanation**7. Major trading and items shows influence on investors' decision-making****8. Other**

In accordance with the requirements of the Regulatory Guidelines of Listed Companies No. 4 - Actual Controller, Shareholders, Related Parties, Purchaser and Commitments and Fulfillment of Listed Companies (CSRC Announcement No. [2013] 55) of China Securities Regulatory Commission, on June 7, 2014, Luoniushan Co., Ltd. (hereinafter referred to as "Luoniushan") sent out the Letter about Changing the Commitments of Luoniushan Co., Ltd. to Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd. to the Company, and made commitments that Luoniushan shall actively seek reorganization party to reorganize the assets of Dadonghai within three years from the date the Company's general meeting of shareholders considered and approved this commitment. The above matters have been considered and approved by the general meeting of shareholders of Dadonghai on June 27, 2014.

On February 22, 2017, the Company received from Luoniushan a Letter on Progress in the Planning of Commitment Implementation, in which Luoniushan intended to transfer 100% of the equity it held in the Industrial Company, a wholly-owned subsidiary (specifically, the Industrial Company will first be transferred with part of financial assets equity held by Luniushan and of 6.91% equity of Sanya Rural Commercial Bank Co., Ltd.) to the Company, the transaction was made in cash with transaction amount of about RMB300 million. The proposal was not adopted at the 11th extraordinary meeting of the eighth board of directors of the Company due to the Company's lack of sufficient debt repayment ability.



On June 23, 2017, Luoniushan issued to the Company a Letter on Change in Term of Commitment by Luoyunshan Co., Ltd. to Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd., extending Luoniushan's performance period of the above restructuring commitment of the Company by 6 months, which means the deadline for the fulfillment of reorganization commitment was changed to December 27, 2017. As the reorganization would take a certain amount of time, on November 29, 2017, Luoniushan again applied to extend the performance period of the reorganization commitment for two years, that is, the performance deadline of the reorganization commitment was changed from December 27, 2017 to December 26, 2019, which was not approved at the fourth extraordinary general meeting of shareholders of the Company in 2017.

XVII. Note on financial statement of parent company

1. Accounts receivable

(1) Disclosure of account receivables by category

In RMB/CNY

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Ratio	Amount	Accrual ratio		Amount	Ratio	Amount	Accrual ratio	
Accounts receivable with provision for bad debts based on single item										
Accounts receivable with provision for bad debts based on portfolios	230,062.48	100.00%	74,075.60	32.20%	155,986.88	500,510.47	100.00%	74,075.60	14.80%	426,434.87
Total	230,062.48	100.00%	74,075.60	32.20%	155,986.88	500,510.47	100.00%	74,075.60	14.80%	426,434.87

If the bad debt provision of receivable are accrual on general model of expected credit losses, relevant bad debt provision should released reference to the disclosure methods for other account receivable:

Applicable Not applicable

Released by account age

In RMB/CNY



Account age	Ending balance
Within 1 year (inclusive)	139,108.68
1-2 years	566.00
2-3 years	785.00
3-4 years	18,633.00
4-5 years	3,397.00
Over 5 years	67,572.80
Total	230,062.48

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

Provision for bad debt in the period

In RMB/CNY

Category	Beginning balance	Amount changed in the period			Ending balance
		Accrual	Reversal or switch-back	Charge off	
Based on portfolios	74,075.60				74,075.60
Total	74,075.60				74,075.60

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**

Name	Relationship with the Company	Book balance	Account age	Proportion in total amount of accounts receivable(%)
Shanghai Hecheng International Travel Service Co., Ltd.	Non-related party	35,788.40	Within 1 year	15.56%
Yangpu Huayu Road and Bridge Technology Co., Ltd.	Non-related party	18,633.00	Over 5 years	8.10%
Guangzhou Institute of Design	Non-related party	38,980.00	Over 5 years	16.94%
Shenzhen Tenpay Technology Co., Ltd.	Non-related party	46,621.46	Within 1 year	20.26%
Tianjin Watermelon Tourism Limited Liability Company	Non-related party	24,414.82	Within 1 year	10.61%
Total		164,437.68		71.47%

(5) Account receivable that at terminated due to the financial assets transfer**(6) Assets and liabilities resulted by account receivable transfer and continues involvement : nil**

Other explanation: nil

**2. Other account receivable**

In RMB/CNY

Item	Ending balance	Beginning balance
Other account receivable	1,242,181.64	458,242.73
Total	1,242,181.64	458,242.73

(1) Interest receivable

- 1) Category: nil
 2) Significant 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

(3) Other account receivable

- 1) Released by nature

In RMB/CNY

Nature	Ending book balance	Opening book balance
Utility bills	206,254.34	185,368.69
Petty cash	838,955.14	133,411.23
Attorney fee	77,534.25	77,534.25
Social insurance and housing provident funds	57,803.91	63,264.56
Deposit	600.00	600.00
Court cost	62,970.00	
Total	1,244,117.64	460,178.73

- 2) Provision for bad debt: nil

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

Applicable Not applicable

Released by account age

In RMB/CNY

Account age	Ending balance
Within 1 year (inclusive)	1,241,881.64
4-5 years	600.00



Over 5 years	1,636.00
Total	1,244,117.64

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

Provision for bad debt in the period

In RMB/CNY

Category	Beginning balance	Amount changed in the period		Ending balance
		Accrual	Reversal or switch-back	
Based on portfolios	1,936.00			1,936.00
Total	1,936.00			1,936.00

Including major provision for bad debt reversal or switch-back in the period: nil

4) Other account receivable actually charge off in the period: nil

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

In RMB/CNY

Name	Nature	Ending balance	Account age	Proportion in total amount of other accounts receivable at period-end	Ending balance of provision for bad debt
Wen Ping	Petty cash	710,000.00	Within 1 year	57.07%	0.00
Hainan New Concept Law Firm	Attorney fee	77,534.25	Within 1 year	6.23%	0.00
Peng Guoxing	Utility bills	70,422.98	Within 1 year	5.66%	0.00
Sanya Suburbs People's Court	Court cost	62,970.00	Within 1 year	5.06%	0.00
Guo Yubo	Petty cash	60,369.61	Within 1 year	4.85%	0.00
Total	--	981,296.84	--	78.88%	0.00

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 investment

In RMB/CNY

Item	Ending balance			Beginning balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment for subsidiary	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 for subsidiary**

In RMB/CNY

Invested enterprise	Beginning balance	Increase in the period	Decrease in the period	Ending balance	Impairment provision in current period	Ending balance of impairment provision
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 explanation: nil****4. Operating income and cost**

In RMB/CNY

Item	Current period		Last period	
	Income	Cost	Income	Cost
Main business	14,241,961.04	5,514,477.93	16,173,929.32	6,000,063.36
Total	14,241,961.04	5,514,477.93	16,173,929.32	6,000,063.36

Whether the new revenue standards been implemented

Yes No

Other explanation: nil

5. Investment income: nil**6. Other****XVIII. Supplementary information****1. Details of current non-recurring profits and losses**Applicable Not applicable

In RMB/CNY

Item	Amount	Note
Other	160,030.46	Clean up the long-term unpaid payable
Total	160,030.46	--

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



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

Applicable Not applicable

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

Profit during the reporting period	Weighted average ROE	Earnings per share	
		Basic EPS(RMB/Share)	Diluted EPS(RMB/Share)
Net profits attributable to ordinary shareholders of the Company	0.97%	0.0021	0.0021
Net profits attributable to ordinary shareholders of the Company after deduction of non-recurring profits or losses	0.76%	0.0016	0.0016

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

4. Other



Section XI. Documents available for references

- I. Text of Semi-Annual Report 2019 with signature of the legal person;
- II. 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);
- III. The original manuscripts of all documents and announcements of the Company publicly disclosed on website appointed by CSRC;
- IV. Other relevant documents

The above said documents are prepared in the security department of the Company

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

Chairman: Yuan Xiaoping

8 August 2019