



Stock Code: 000613, 200613  
Notice No: 2019-008

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.



## Summary of Annual Report 2018

Disclosure Date: 26 February 2019



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

## Summary of Annual Report 2018

### I. Important Notice

The summary is abstract from full-text of annual report, for more details of operating results, financial condition and future development plan of the Company; investors should found in the full-text of annual report that published on media appointed by CSRC.

Objection statement of directors, supervisors and senior executives

Applicable  Not applicable

.Prompt of non-standard audit opinion

Applicable  Not applicable

Profit distribution pre-plan of common stock or capitalizing of common reserves pre-plan deliberated by the Board in the reporting period

Applicable  Not applicable

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

Profit distribution pre-plan of preferred stock deliberated and approved by the Board in the reporting period

Applicable  Not applicable

### II. Basic information of the company

#### 1. Company profile

Short form of the stock	Dadonghai -A, Dadonghai -B	Stock code	000613、200613
Stock exchange for listing	Shenzhen Stock Exchange		
Person/Way to contact	Secretary of the Board	Rep. of security affairs	
Name	Wang Hongjuan		
Office add.	Dadonghai Sanya		
Fax.	0898-88214998		
Tel.	0898-88219921		
E-mail	hnddhn@21cn.com		

#### 2. Main business or product introduction in the reporting period

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



### 3. Main accounting data and financial indexes

#### (1) Main accounting data and financial indexes for recently three years

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

Yes  No

In RMB

	2018	2017	Changes over last year	2016
Operating income (RMB)	29,515,592.33	27,906,564.23	5.77%	21,708,883.51
Net profit attributable to shareholders of the listed company (RMB)	653,282.19	2,858,998.66	-77.15%	-2,661,052.49
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	816,346.09	779,389.74	4.74%	-4,072,689.97
Net cash flow arising from operating activities (RMB)	6,783,893.26	5,127,288.47	32.31%	2,766,372.02
Basic earnings per share (RMB/Share)	0.0018	0.0079	-77.22%	-0.0073
Diluted earnings per share (RMB/Share)	0.0018	0.0079	-77.22%	-0.0073
Return on Equity	0.84%	3.78%	-2.94%	-3.52%
	End of 2018	End of 2017	Changes over end of last year	End of 2016
Total assets (RMB)	88,197,118.07	87,466,661.80	0.84%	105,444,153.63
Net assets attributable to shareholder of listed company (RMB)	77,788,696.29	77,135,414.10	0.85%	74,276,415.44

#### (2) Quarterly main financial index

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	9,888,991.83	6,284,937.49	5,799,836.91	7,541,826.10
Net profit attributable to shareholders of the listed company	1,973,425.41	-691,259.83	-687,050.10	58,166.71
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	1,973,903.39	-691,532.83	-687,050.10	221,025.63
Net cash flow arising from operating activities	2,610,752.60	499,925.00	1,585,973.61	2,087,242.05

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

Yes  No

### 4. Shares and shareholders

#### (1) Particulars about common stock shareholders, preference shareholders with voting rights recovered and



top ten shareholders

In Share

Total common stock shareholders in reporting period-end	44,014	Total common stock shareholders at end of last month before annual report disclosed	40,589	Total preference shareholders with voting rights recovered at end of reporting period	0	Total preference shareholders with voting rights recovered at end of last month before annual report disclosed	0
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Top ten shareholders

Full name of Shareholders	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of shares pledged/frozen	
					State of share	Amount
Luoniushan Co., Ltd.	Domestic non state-owned corporate	17.55%	63,885,980	0	Pledged	63,885,980
Yang Meiqin	Domestic nature person	4.47%	16,279,028	0	Pledged	15,910,000
Pan Anjie	Domestic nature person	4.01%	14,593,598	0		
Hainan Ya An Ju Property Service Co., Ltd.	Domestic non state-owned corporate	2.25%	8,205,800	0		
Chen Jinlian	Domestic nature person	2.13%	7,766,400	0		
HGNH International Asset Management Co., Ltd – customer deposit	Foreign corporate	1.23%	4,495,902	0		
Pan Aiping	Domestic nature person	1.13%	4,110,738	0	Pledged	4,090,000
Zhang Fengxiu	Domestic nature person	1.07%	3,901,372	0		
China Investment Securities (HK) Co., Ltd. – customer deposit	Foreign corporate	0.99%	3,622,300	0		
Feishang Group Limited	Foreign corporate	0.86%	3,122,800	0		
Explanation on associated relationship 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.					
Explanation on shareholders involving margin business	N/A					

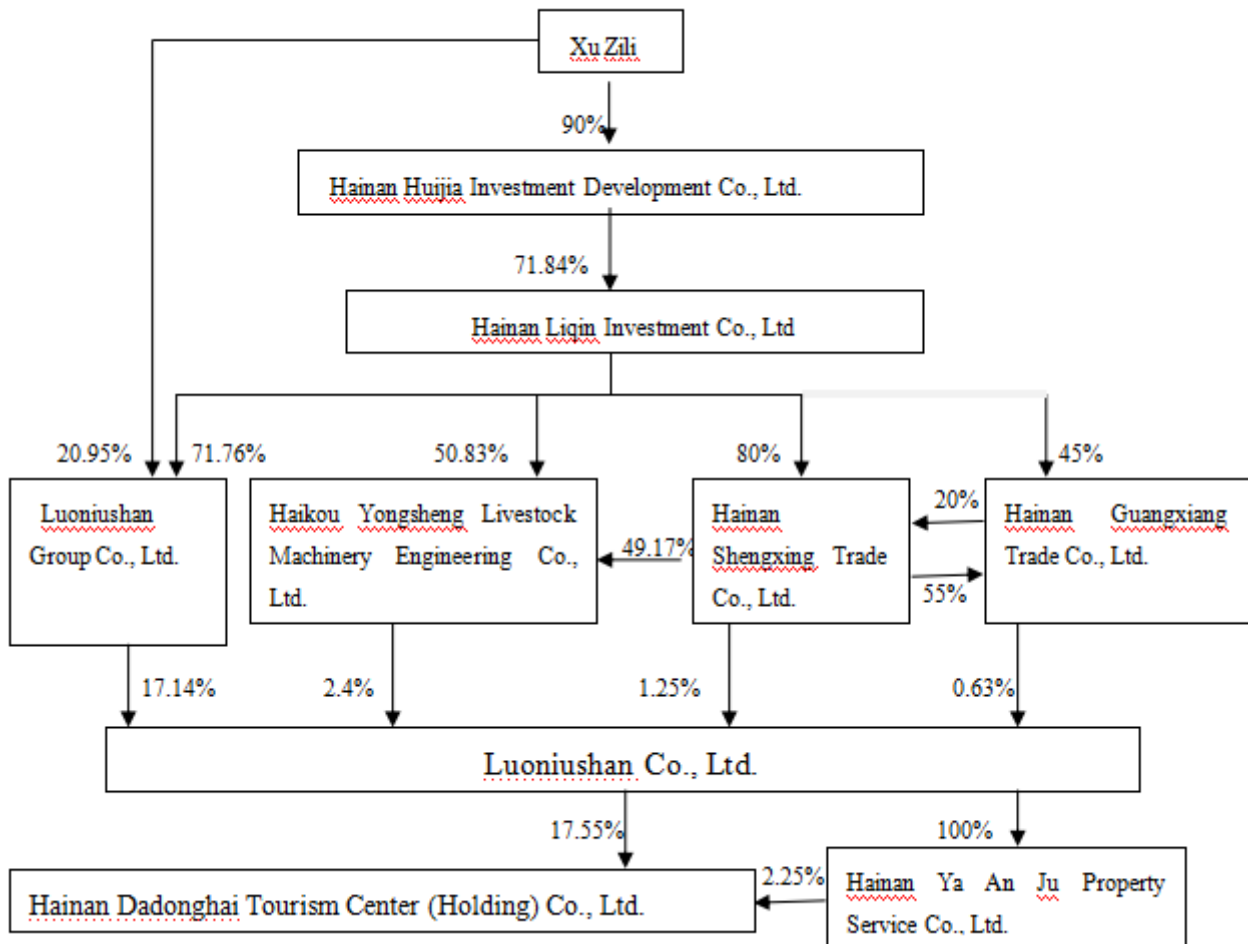


**(2) Total preferred stock shareholders of the Company and shares held by top ten shareholders with preferred stock held**

Applicable     Not applicable

The Company had no shareholders with preferred stock held in the reporting.

**(3) Property right and controlling relationships between the actual controllers of the Company and the Company is as follows:**



**5. Corporate bonds**

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

No

**III. Discussion and analysis of operation**

**1. Introduction of operation in the reporting period**

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

No



During the reporting period, the company realized main business income of 29,515,600 Yuan, increased by 1,609,000 Yuan compared with the same period last year, an increase of 5.77%; operating profit of 816,300 Yuan, decreased by 768,900 Yuan compared with the same period last year, a decrease of 48.50%; net non-operating income of 163,100 Yuan, decreased by 1,436,800 Yuan compared with the same period last year, a decrease of 112.80%; net profit of 653,300 Yuan, decreased by 2,205,700 Yuan compared with the same period last year, a decrease of 77.15%.

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 consumptions 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. During the reporting period, the revenue of the Company from overseas sales, network sales, meeting teams and individual visitors from travel agencies increased significantly over the same period of last year. The revenue from its major operating business was RMB27.9066 million, representing a year-on-year increase of 28.55% as compared to the revenue of RMB6.1977 million of previous year.

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 consumptions, 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 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.

## 2. Whether the main business had major change in the reporting period

Yes  No

## 3. About the industries, products, or regions accounting for over 10% of the company's operating income or operating profit

Applicable  Not applicable

In RMB

Name	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
Room revenue	22,731,299.15	7,520,164.91	59.06%	7.72%	-0.20%	0.56%
Catering entertainment income	3,710,750.32	773,397.55	46.82%	3.41%	699.62%	-0.04%
Room revenue	3,073,542.86	2,453,870.46	84.56%	-4.40%	-4.71%	-0.68%

## 4. Whether the characteristics of management seasonal or cyclical need special attention

Yes  No

## 5. In the reporting period, note of major changes in operating income, operating cost, total net profit attributable to common stock shareholders of listed company or composing the previous reporting period

Applicable  Not applicable

## 6. Particular about suspended and delisting

Applicable  Not applicable



## 7. Relevant items involving financial report

### (1) Particulars about the changes in aspect of accounting policy, estimates and calculation method compared with the financial report of last year

Applicable Not applicable

#### 1. Change of accounting policy

On 15 June 2018, the Notice of the Ministry of Finance on Revising and Issuing the Format of General Corporate Enterprise Financial Statements for 2018 (CK [2018] No.15) was issued by the Ministry of Finance, the financial statement format for general corporate enterprise are revised. Main influence for the above mentioned Revised of the Company are:

Content and reason for accounting policy changed	Approval procedures	Items and amount being affected
(1) Under the balance sheet: "Note receivable" and "Account receivable" are together listed as "Note receivable & account receivable"; "Note payable" and "Account payable" are together listed as "Note payable & account payable"; "Interest receivable" and "Dividend receivable" are included under the "Other receivables"; "Interest payable" and "Dividend payable" are included under the "Other payables"; "Fixed assets disposal" is included under the "Fixed assets"; "Engineering materials" is included under the "Construction in progress"; "Special payables" is included under the "Long-term payables". The comparative data should be adjusted correspondingly	Resolution of the Board	"Note receivable" and "Account receivable" are together listed as "Note receivable & account receivable", current balance amounted as 426,434.87 Yuan, while 594,130.89 Yuan listed last period; "Note payable" and "Account payable" are together listed as "Note payable & account payable", current balance amounted as 1,607,835.81 Yuan while 2,161,172.26 Yuan listed last period. "Interest payable" and "Dividend payable" are included under the "Other payables"; "Fixed assets disposal" is included under the "Fixed assets"; "Engineering materials" is included under the "Construction in progress"; "Special payables" is included under the "Long-term payables", there were no amount listed in the period and last period
(2) Added item of "R&D expenses" under the profit statement, the R&D expenses included under original "Administration expenses" was re-classified as "R&D expenses" for counting independently; added "Including: interest expenses" and "Interest revenue" under the financial expenses. The comparative data should be adjusted correspondingly	Resolution of the Board	The R&D expenses included under original "Administration expenses" was re-classified as "R&D expenses" for counting independently; no amount occurred in the period and last period
(3) Added item of "Change amount of defined benefit plans that carry forward retained earnings" under the statement of change of owners' equity. The comparative data should be adjusted correspondingly	Resolution of the Board	Added item of "Change amount of defined benefit plans that carry forward retained earnings" under the statement of change of owners' equity, no amount occurred in the period and last period

#### 2. Change of accounting estimates

Major accounting estimates have no changes in the reporting period.

#### 3. Change of calculation method

Major calculation method has no changes in the reporting period

### (2) Major accounting errors within reporting period that needs retrospective restatement

Applicable Not applicable

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

### (3) Compare with last year's financial report; explain changes in consolidation statement's scope

Applicable Not applicable



**Changes of consolidated scope****Subsidiary included in consolidated scope in the period**

In RMB

Name	Comibed by	Net assets at period-end	Current net profit	Establihsed on
Hainan Wengao Tourism Resources Development Co., Ltd.	New establishment	999,768.27	-231.7	2018.6.6

Board of Directors of

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

24 February 2019