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

Semi-Annual 2021

Financial Report

19 August 2021

I. Financial Statement

1. Consolidated Balance Sheet

June 30, 2021

In RMB

Item	June 30, 2021	December 31, 2020
Current assets:		
Monetary funds	3,240,620.51	2,924,459.75
Settlement provisions		
Capital lent		
Trading financial assets		
Derivative financial assets		
Note receivable		
Account receivable	89,030.64	429,303.32
Receivable financing		
Accounts paid in advance		
Insurance receivable		
Reinsurance receivables		

Contract reserve of reinsurance receivable		
Other account receivable	522,032.39	432,560.55
Including: Interest receivable		
Dividend receivable		
Buying back the sale of financial assets		
Inventories	221,475.00	2,009,928.83
Contractual assets		
Assets held for sale		
Non-current asset due within one year		
Other current assets	3,446,991.54	3,977,452.24
Total current assets	7,520,150.08	9,773,704.69
Non-current assets:		
Loans and payments on behalf		
Debt investment		
Other debt investment		
Long-term account receivable		
Long-term equity investment		
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	7,198,171.53	7,435,433.31
Fixed assets	32,957,434.73	34,694,023.75
Construction in progress		
Productive biological asset		
Oil and gas asset		
Right-of-use assets		
Intangible assets	20,174,281.14	20,580,474.72
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	21,629,691.28	24,957,702.73
Deferred income tax asset		
Other non-current asset		
Total non-current asset	81,959,578.68	87,667,634.51
Total assets	89,479,728.76	97,441,339.20
Current liabilities:		

Short-term loans		
Loan from central bank		
Capital borrowed		
Trading financial liability		
Derivative financial liability		
Note payable		
Account payable	1,019,806.75	808,710.46
Accounts received in advance		
Contractual liability	875,822.38	626,285.33
Selling financial asset of repurchase		
Absorbing deposit and interbank deposit		
Security trading of agency		
Security sales of agency		
Wage payable	2,458,042.98	2,595,861.40
Taxes payable	364,489.65	366,892.96
Other account payable	3,027,832.98	6,167,763.36
Including: Interest payable		
Dividend payable		
Commission charge and commission payable		
Reinsurance payable		
Liability held for sale		
Non-current liabilities due within one year	11,508.13	6,621,497.94
Other current liabilities	52,549.34	37,577.12
Total current liabilities	7,810,052.21	17,224,588.57
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	9,893,757.94	9,893,757.94
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long-term wages payable		
Accrual liability	1,489,685.04	1,489,685.04

Deferred income		
Deferred income tax liabilities		
Other non-current liabilities	1,914,592.66	1,914,592.66
Total non-current liabilities	13,298,035.64	13,298,035.64
Total liabilities	21,108,087.85	30,522,624.21
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	-349,871,209.10	-351,324,135.02
Total owner' s equity attributable to parent company	68,371,640.91	66,918,714.99
Minority interests		
Total owner' s equity	68,371,640.91	66,918,714.99
Total liabilities and owner' s equity	89,479,728.76	97,441,339.20

Legal Representative: Yuan Xiaoping

Accounting Principal: Fu Zongren

Accounting Firm's Principal: Fu Zongren

2. Balance Sheet of Parent Company

In RMB

Item	June 30, 2021	December 31, 2020
Current assets:		
Monetary funds	3,239,943.81	2,923,474.26
Trading financial assets		
Derivative financial assets		
Note receivable		
Account receivable	89,030.64	429,303.32

Receivable financing		
Accounts paid in advance		
Other account receivable	522,032.39	432,560.55
Including: Interest receivable		
Dividend receivable		
Inventories	221,475.00	2,009,928.83
Contractual assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	3,446,991.54	3,977,452.24
Total current assets	7,519,473.38	9,772,719.20
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	1,000,000.00	1,000,000.00
Investment in other equity instrument		
Other non-current financial assets		
Investment real estate	7,198,171.53	7,435,433.31
Fixed assets	32,957,434.73	34,694,023.75
Construction in progress		
Productive biological assets		
Oil and natural gas assets		
Right-of-use assets		
Intangible assets	20,174,281.14	20,580,474.72
Research and development costs		
Goodwill		
Long-term deferred expenses	21,629,691.28	24,957,702.73
Deferred income tax assets		
Other non-current assets		
Total non-current assets	82,959,578.68	88,667,634.51
Total assets	90,479,052.06	98,440,353.71
Current liabilities:		
Short-term borrowings		

Trading financial liability		
Derivative financial liability		
Notes payable		
Account payable	1,019,806.75	808,710.46
Accounts received in advance		
Contractual liability	875,822.38	626,285.33
Wage payable	2,458,042.98	2,595,861.40
Taxes payable	364,489.65	366,892.96
Other accounts payable	4,027,301.68	7,167,232.06
Including: Interest payable		
Dividend payable		
Liability held for sale		
Non-current liabilities due within one year	11,508.13	6,621,497.94
Other current liabilities	52,549.34	37,577.12
Total current liabilities	8,809,520.91	18,224,057.27
Non-current liabilities:		
Long-term loans	9,893,757.94	9,893,757.94
Bonds payable		
Including: Preferred stock		
Perpetual capital securities		
Lease liability		
Long-term account payable		
Long term employee compensation payable		
Accrued liabilities	1,489,685.04	1,489,685.04
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities	1,914,592.66	1,914,592.66
Total non-current liabilities	13,298,035.64	13,298,035.64
Total liabilities	22,107,556.55	31,522,092.91
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	-349,871,354.50	-351,324,589.21
Total owner's equity	68,371,495.51	66,918,260.80
Total liabilities and owner's equity	90,479,052.06	98,440,353.71

3. Consolidated Profit Statement

In RMB

Item	2021 semi-annual	2020 semi-annual
I. Total operating income	19,079,779.41	4,981,872.00
Including: Operating income	19,079,779.41	4,981,872.00
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	17,863,208.53	11,529,626.87
Including: Operating cost	10,060,086.41	5,052,678.43
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	325,142.31	182,132.20
Sales expense	2,720,548.17	2,095,194.24
Administrative expense	4,382,016.80	4,200,935.35
R&D expense		
Financial expense	375,414.84	-1,313.35
Including: Interest expenses	360,946.81	76,128.55
Interest income	17,993.99	89,077.69
Add: Other income	233,438.24	262,840.35

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		
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 "-")	1,450,009.12	-6,284,914.52
Add: Non-operating income	3,739.40	2,593.62
Less: Non-operating expense	822.60	349,129.52
IV. Total profit (Loss is listed with "-")	1,452,925.92	-6,631,450.42
Less: Income tax expense		
V. Net profit (Net loss is listed with "-")	1,452,925.92	-6,631,450.42
(i) Classify by business continuity		
1.continuous operating net profit (net loss listed with '-")	1,452,925.92	-6,631,450.42
2.termination of net profit (net loss listed with '-")		
(ii) Classify by ownership		
1.Net profit attributable to owner's of parent company	1,452,925.92	-6,631,450.42
2.Minority shareholders' gains and losses		
VI. Net after-tax of other comprehensive income		
Net after-tax of other comprehensive income attributable to owners of parent company		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		

1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		
6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
Net after-tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	1,452,925.92	-6,631,450.42
Total comprehensive income attributable to owners of parent Company	1,452,925.92	-6,631,450.42
Total comprehensive income attributable to minority shareholders		
VIII. Earnings per share:		
(i) Basic earnings per share	0.0040	-0.0182
(ii) Diluted earnings per share	0.0040	-0.0182

As for the enterprise combined under the same control, net profit of 0 Yuan achieved by the merged party before combination 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 2021	Semi-annual of 2020
I. Operating income	19,079,779.41	4,981,872.00
Less: Operating cost	10,060,086.41	5,052,678.43
Taxes and surcharge	325,142.31	182,132.20
Sales expenses	2,720,548.17	2,095,194.24
Administration expenses	4,382,016.80	4,200,735.35
R&D expenses		
Financial expenses	375,106.05	-1,458.93
Including: Interest expenses	360,946.81	76,128.55
Interest income	17,992.78	89,063.27

Add: Other income	233,438.24	262,840.35
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 "-")	1,450,317.91	-6,284,568.94
Add: Non-operating income	3,739.40	2,593.62
Less: Non-operating expense	822.60	349,129.52
III. Total Profit (Loss is listed with "-")	1,453,234.71	-6,631,104.84
Less: Income tax		
IV. Net profit (Net loss is listed with "-")	1,453,234.71	-6,631,104.84
(i) continuous operating net profit (net loss listed with '-")	1,453,234.71	-6,631,104.84
(ii) termination of net profit (net loss listed with '-")		
V. Net after-tax of other comprehensive income		
(i) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1.Changes of the defined benefit plans that re-measured		
2.Other comprehensive income under equity method that cannot be transfer to gain/loss		
3.Change of fair value of investment in other equity instrument		
4.Fair value change of enterprise's credit risk		
5. Other		
(ii) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1.Other comprehensive income under equity method that can transfer to gain/loss		
2.Change of fair value of other debt investment		
3.Amount of financial assets re-classify to other comprehensive income		
4.Credit impairment provision for other debt investment		
5.Cash flow hedging reserve		

6.Translation differences arising on translation of foreign currency financial statements		
7.Other		
VI. Total comprehensive income	1,453,234.71	-6,631,104.84
VII. Earnings per share:		
(i) Basic earnings per share	0.0040	-0.0182
(ii) Diluted earnings per share	0.0040	-0.0182

5. Consolidated Cash Flow Statement

In RMB

Item	Semi-annual of 2021	Semi-annual of 2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	21,790,626.36	5,200,787.10
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	568.93	89,077.69
Other cash received concerning operating activities	580,370.32	501,830.36
Subtotal of cash inflow arising from operating activities	22,371,565.61	5,791,695.15
Cash paid for purchasing commodities and receiving labor service	3,524,106.46	2,862,000.80
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Net increase of capital lent		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	5,824,917.18	5,523,279.64

Taxes paid	498,863.63	311,265.46
Other cash paid concerning operating activities	1,903,204.29	1,884,340.17
Subtotal of cash outflow arising from operating activities	11,751,091.56	10,580,886.07
Net cash flows arising from operating activities	10,620,474.05	-4,789,190.92
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	400.00	300.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	400.00	300.00
Cash paid for purchasing fixed, intangible and other long-term assets	3,333,776.67	4,541,624.47
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	3,333,776.67	4,541,624.47
Net cash flows arising from investing activities	-3,333,376.67	-4,541,324.47
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans		19,791,474.22
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		19,791,474.22
Cash paid for settling debts	6,598,477.52	
Cash paid for dividend and profit distributing or interest paying	372,459.10	51,265.51
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	6,970,936.62	51,265.51
Net cash flows arising from financing activities	-6,970,936.62	19,740,208.71
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	316,160.76	10,409,693.32
Add: Balance of cash and cash equivalents at the period -begin	2,924,459.75	7,422,939.89

VI. Balance of cash and cash equivalents at the period -end	3,240,620.51	17,832,633.21

6. Cash Flow Statement of Parent Company

In RMB

Item	Semi-annual of 2021	Semi-annual of 2020
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	21,790,626.36	5,200,787.10
Write-back of tax received	568.93	89,063.27
Other cash received concerning operating activities	580,369.11	501,815.94
Subtotal of cash inflow arising from operating activities	22,371,564.40	5,791,666.31
Cash paid for purchasing commodities and receiving labor service	3,524,106.46	2,862,000.80
Cash paid to/for staff and workers	5,824,917.18	5,523,279.64
Taxes paid	498,863.63	311,217.66
Other cash paid concerning operating activities	1,902,894.29	1,883,965.75
Subtotal of cash outflow arising from operating activities	11,750,781.56	10,580,463.85
Net cash flows arising from operating activities	10,620,782.84	-4,788,797.54
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	400.00	300.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities		
Subtotal of cash inflow from investing activities	400.00	300.00
Cash paid for purchasing fixed, intangible and other long-term assets	3,333,776.67	4,541,624.47
Cash paid for investment		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	3,333,776.67	4,541,624.47
Net cash flows arising from investing activities	-3,333,376.67	-4,541,324.47
III. Cash flows arising from financing activities:		
Cash received from absorbing investment		
Cash received from loans		19,791,474.22
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities		19,791,474.22

Cash paid for settling debts	6,598,477.52	
Cash paid for dividend and profit distributing or interest paying	372,459.10	51,265.51
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	6,970,936.62	51,265.51
Net cash flows arising from financing activities	-6,970,936.62	19,740,208.71
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate		
V. Net increase of cash and cash equivalents	316,469.55	10,410,086.70
Add: Balance of cash and cash equivalents at the period -begin	2,923,474.26	7,421,452.59
VI. Balance of cash and cash equivalents at the period -end	3,239,943.81	17,831,539.29

7. Statement of Changes in Owners' Equity (Consolidated)

Current Amount

In RMB

Item	Semi-annual of 2021														
	Owners' equity attributable to the parent Company													Minority interests	Total owners' equity
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk	Retained profit	Other	Subtotal		
		Preferred stock	Perpetual capitals	Other											

			ecurities												
I. The ending balance of the previous year	364,100,000.00				54,142,850.01						-351,324,135.02		66,918,714.99		66,918,714.99
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. The beginning balance of the current year	364,100,000.00				54,142,850.01						-351,324,135.02		66,918,714.99		66,918,714.99
III. Increase/ Decrease in the period (Decrease is listed with “-”)											1,452,925.92		1,452,925.92		1,452,925.92
(i) Total comprehensive income											1,452,925.92		1,452,925.92		1,452,925.92
(ii) Owners’ devoted and decreased capital															
1.Common shares invested by shareholders															
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners equity with share-based payment															
4. Other															
(iii) Profit distribution															
1. Withdrawal of surplus reserves															

2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)															
4. 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 period	364,100,000.00				54,142,850.01						-349,871,209.10		68,371,640.91		68,371,640.91

Amount of the previous period

In RMB

Item	Semi-annual of 2020												
	Owners' equity attributable to the parent Company											Minori	Total owners' equity
	Share capital	Other equity instrume	Capital reserve	Less:	Other	Reaso	Surpl	Provi	Retained profit	Other	Subtotal		

		nt				Inventory shares	comprehensive income	nable reserve	us reserve	sion of general risk				ty interests	
		Preferred stock	Perpetual capital securities	Other											
I. The ending balance of the previous year	364,100,000.00				54,142,850.01						-339,756,246.05		78,486,603.96		78,486,603.96
Add: Changes of accounting policy															
Error correction of the last period															
Enterprise combine under the same control															
Other															
II. The beginning balance of the current year	364,100,000.00				54,142,850.01						-339,756,246.05		78,486,603.96		78,486,603.96
III. Increase/ Decrease in the period (Decrease is listed with “-”)											-6,631,450.42		-6,631,450.42		-6,631,450.42

(i) Total comprehensive income											-6,631,450.42		-6,631,450.42		-6,631,450.42
(ii) Owners' devoted and decreased capital															
1.Common shares invested by shareholders															
2. Capital invested by holders of other equity instruments															
3. Amount reckoned into owners equity with share-based payment															
4. Other															
(iii) Profit distribution															
1. Withdrawal of surplus reserves															
2. Withdrawal of general risk provisions															
3. Distribution for owners (or shareholders)															
4. Other															
(iv) Carrying forward internal owners' equity															
1. Capital reserves 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 period	364,100,000.00				54,142,850.01						-346,387,696.47		71,855,153.54		71,855,153.54

8. Statement of Changes in Owners’ Equity (Parent Company)

Current Amount

In RMB

Item	Semi-annual of 2021											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners’ equity
		Preferred stock	Perpetual capital securities	Other								

I. The ending balance of the previous year	364,100,000.00				54,142,850.01					-351,324,589.21		66,918,260.80
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	364,100,000.00				54,142,850.01					-351,324,589.21		66,918,260.80
III. Increase/ Decrease in the period (Decrease is listed with “-”)										1,453,234.71		1,453,234.71
(i) Total comprehensive income										1,453,234.71		1,453,234.71
(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 period	364,100,000.00				54,142,850.01					-349,871,354.50		68,371,495.51

Amount of the previous period

In RMB

Item	Semi-annual of 2020											
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Other	Total owners' equity
		Preferred stock	Perpetual capital securities	Other								
I. The ending balance of the previous year	364,100,000.00				54,142,850.01					-339,757,154.25		78,485,695.76
Add: Changes of accounting policy												
Error correction of the last period												
Other												
II. The beginning balance of the current year	364,100,000.00				54,142,850.01					-339,757,154.25		78,485,695.76

III. Increase/ Decrease in the period (Decrease is listed with “-”)										-6,631,104.84		-6,631,104.84
(i) Total comprehensive income										-6,631,104.84		-6,631,104.84
(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 period	364,100,000.00				54,142,850.01					-346,388,259.09		71,854,590.92

II. 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 30 June 2021, 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 19 August 2021.

Scope to the consolidated financial statements

As of 30 June 2021, the subsidiary included into the Company's scope of consolidated financial statements is as follows:

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

III. Basis for the preparation of the financial statements

1.Preparation basis

The Company prepared financial statements in accordance with the Accounting Standards for Business Enterprises — Basic Standards and the specific accounting standards, the Accounting Standards for Business Enterprises - Application Guidance, the Accounting Standards for Business Enterprises - Interpretation and other relevant provisions, issued by the Ministry of Finance, (hereinafter referred to collectively as the "Accounting Standards for Business Enterprises"), as well as the disclosure provisions of the *Rules for the Compilation and Submission of Information Disclosure by Companies Offering Securities to the Public No.15 - General Requirements for Financial Reports*.

2.Going concern

Due to the influence of COVID-19, the Company suffered a serious decline in annual operating revenue in 2020 and suffered a large amount of losses. However, the current business situation has gradually recovered to normal, and it is expected that the Company's business activities will continue in the next 12 months.

IV. Significant accounting policies and accounting estimates

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

The financial statements prepared by the Company meet requirements of the Accounting Standards for Business Enterprises, and truly and completely reflect the consolidated and the Company’s financial position as of 30 June, 2021 as well as operation results and cash flows for the half year of 2021.

2. Accounting period

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

3. Operating cycle

The Company's operating cycle is 12 months.

4.Functional currency

RMB is adopted as the functional currency.

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

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

Business combination under different control: the cost of merger is the fair value of the assets, liabilities incurred or assumed and equity securities issued by the purchaser in order to obtain the control of the purchaser on the purchase date. The difference between the cost of the merger and the share of the fair value of the identifiable net assets acquired by the purchaser in the merger shall be recognized as goodwill; The difference between the merger cost and the share of the fair value of the identifiable net assets acquired by the purchaser in the merger shall be recorded into the profit and loss of the current period. The identifiable assets, liabilities and contingent liabilities obtained by the purchaser in the merger meeting the recognition conditions shall be measured at fair value on the purchase date.

The expenses directly related to the enterprise merger shall be recorded into the current profit and loss when incurred. The transaction cost of issuing equity securities or debt securities for the purpose of business merger shall be included in the initial recognized amount of equity securities or debt securities.

6. Preparation methods of consolidated financial statements

6.1 Scope of consolidation

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

6.2 Procedures of consolidation

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

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

1) Increase of subsidiaries or business

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

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

During the reporting period, the consolidated financial statements shall be incorporated into the consolidated financial statements on the basis of the fair value of identifiable assets, liabilities and contingent liabilities as determined on the date of purchase, as a result of the consolidation of subsidiaries or businesses under the same control.

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

2) Disposal of subsidiaries

①General method of treatment

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

②Disposal of subsidiaries by stages

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

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

ii. These transactions as a whole can reach a complete business result;

iii. The occurrence of a transaction depends on the occurrence of at least one other transaction;

iv. A single transaction is uneconomical but is economical when considered together with other transactions.

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

If each transaction is not a package transaction, prior to the loss of control, the equity investment of the subsidiary shall be partially disposed of without loss of control; in the event of loss of control, Accounting treatment shall be carried out according to the general treatment method of the disposal subsidiary.

3) Purchase of minority interest of subsidiaries

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

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

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

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

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

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

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

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

(2) Liabilities undertaken by the Company solely and liabilities jointly undertaken by the Company based on shares held;

(3) Revenue from the sales of output share enjoyed by the Company in the joint operation;

(4) Revenue from the sales of the joint operation output based on the shares held by the Company; and

(5) Separate costs, and costs for the joint operation based on the shares held by the Company.

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

8.Recognition criteria of cash and cash equivalents

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

9. Foreign currency business and statement translation

Foreign currency business uses the spot exchange rate on the date of transaction as the conversion rate to convert the foreign currency amount into RMB.

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

10. Financial instruments

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

10.1Classification of financial instruments

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

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

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

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

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

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

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

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

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

1) this designation can eliminate or significantly reduce accounting mismatches.

2) manage and evaluate the financial liability portfolio or financial assets and financial liabilities portfolio on the basis of fair value according to the enterprise risk management or investment strategy specified in the official written document, And report to key managers on this basis within the enterprise.

3) the financial liability contains embedded derivatives that need to be split separately.

10.2Recognition basis and measurement method of financial instruments

(1) Financial assets measured at amortized costs

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

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

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

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

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

Upon termination of recognition, the accumulated gains or losses previously recorded in other comprehensive income shall be transferred from other comprehensive income and recorded in the current profits and losses.

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

consolidated income

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

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

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

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

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

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

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

Upon termination of recognition, the difference between the consideration price and the book value of the financial liability shall be recorded in the current profits and losses.

10.3Financial asset termination recognition and financial asset transfer

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

- Termination of contractual rights to collect cash flows from financial assets;

- Financial assets have been transferred and almost all risks and rewards of ownership of financial assets have been transferred to the transferring party;

- Financial assets have been transferred and although the Company has neither transferred nor retained almost all risks and rewards in the ownership of financial assets, it has not retained control over financial assets.

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

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

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

(1) The carrying value of the financial assets transferred;

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

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

(1) To terminate the carrying value of the recognized portion;

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

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

10.4De-recognition of financial liabilities

Where the present obligations of financial liabilities have been discharged in whole or in part, the financial liability is derecognized or any part thereof shall be derecognized; if the Company signs an agreement with creditors to replace the existing financial liabilities by undertaking new financial liabilities, and the new financial liabilities are substantially different from the existing ones in terms of contract terms, the existing financial liabilities shall be derecognized, and at the same time, the new financial liability shall be recognized.

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

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

Where the Company redeems part of its financial liabilities, it shall, on the redemption date, allocate the entire book value of whole financial liabilities according to the comparative fair value of the part that continues to be recognized and the de-recognized part. The difference between the book value allocated to the derecognized part and the considerations paid (including non-cash assets surrendered and the new financial liabilities assumed) shall be included in the current profit or loss.

10.5Determination method of the fair value of financial assets and financial liabilities

The fair value of a financial instrument, for which there is an active market, is the prices quoted for it therein. The fair value of a financial instrument, for which there is no active market, is determined by using valuation techniques. At the time of valuation, the Company adopts the techniques that are applicable in the current situation and supported by enough available data and other information, selects the input values that are consistent with the features of assets or liabilities as considered by market participants in relevant asset or liability transactions, and gives priority to use relevant observable inputs. Unobservable inputs are used only under the circumstance when it is impossible or unobservable inputs to obtain relevant observable inputs.

10.6 Test method and accounting treatment for impairment of financial assets

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

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

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

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

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

11. Note receivable

Consistent with the accounting policy of account receivable

12. Account receivable

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

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

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

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

13. Receivables financing

Consistent with the Accounting Standards for Business Enterprise

14.Other receivable

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

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

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

Portfolio Name	Basis
Other Receivables Portfolio 1	Deposit, Security Deposit and Reserve Receivables
Other Receivables Portfolio 2	Receivables of Advance Payment for Another Party
Other Receivables Portfolio 3	Other Account Receivables

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

15. Inventory

15.1Classification of inventories and cost

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

15.2Measurement of inventories dispatched

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

15.3Determining basis of the net realizable value of inventories and method for inventory depreciation reserve

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

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

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

15.4Inventory system

Perpetual inventory system is adopted.

15.5Amortization method for low-cost consumables and packaging materials

(1) Low-cost consumables are amortized in a lump sum;

(2) Packaging materials are amortized in a lump sum.

16. Contractual assets

16.1Methods and criteria for the recognition of contract assets

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

Company's right to collect consideration from customers unconditionally (depending on the passage of time only) is shown separately as receivables.

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

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

17. Contract costs

Contract cost includes contract performance cost and contract acquisition cost.

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

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

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

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

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

(1) The remaining consideration is expected to be obtained as a result of the transfer of goods or services related to the asset;

(2) Estimated costs to be incurred for the transfer of the relevant goods or services.

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

18.Long-term equity investment

18.1Judgment criteria for joint control and significant influence

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

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

18.2Determination of initial investment cost

1) Long-term equity investments resulting from merger

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

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

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

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

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

18.3Subsequent measurements and recognition of profit or loss

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

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

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

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

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

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

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

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

3) Disposal of long-term equity investments

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

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

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

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

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

19. Investment properties

Measurement mode

Measured by cost method

Depreciation or amortization method

The investment properties refer to the properties held for earning rentals or/and capital appreciation, including leased land use right, land use right held for transfer upon appreciation, and leased building (including self-built buildings or buildings developed for renting or buildings under construction or development for future renting).

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

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

20. Fixed assets

20.1 Recognition criteria

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

(1) It is probable that the economic benefits relating to the fixed assets will flow into the Company; and

(2) The costs of the fixed assets can be measured reliably.

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

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the economic benefits associated with them are likely to flow in and their costs can be reliably measured; for the replaced part, the book value is terminated;

All other subsequent expenditures are recorded at the time of occurrence into the current profit or loss

20.2Depreciation method

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

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

The fixed assets leased by financial lease adopt depreciation policy consistent with their own fixed assets.If it can reasonably determine that ownership of the leased assets will be acquired at the expiration of the lease term, depreciation shall be calculated within the useful life of the leased assets; if it is impossible to reasonably determine the ownership of the leased assets at the expiration of the lease term, Depreciation is calculated within a shorter period of the lease term and the useful life of the leased assets.

20.3Identification basis, valuation method and depreciation of the financing leased fixed assets

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

1) After the expire of the lease term, the ownership of the leased assets shall be vested in the company;

2) The company has an option to purchase the asset, the purchase price is far less than the fair value of the asset when the option is exercised;

3) The leasing term is the majority of the life of the leased asset;

4) The present value of the minimum lease payment on the beginning of the lease does not have many differences from the fair value of the asset;

5) The leased assets are of a special nature and can only be used by the lessee if they are not substantially modified

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

21. Construction in progress

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

22. Borrowing costs

22.1Recognition principles of capitalization of borrowing costs

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

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

22.2Capitalization period of borrowing costs

Capitalization period refers to the period from the beginning of capitalization to the cease of capitalization, excluding the period of capitalization suspension of borrowing costs.

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

1) Asset disbursements, which include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization, have already been incurred;

2) Borrowing costs have already been incurred; and

3) The acquisition and construction or production activities which are necessary to prepare the assets for their intended use or sale have already been started.

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

22.3Period of capitalization suspension

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

22.4Calculation method of capitalization amount of borrowing costs

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

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

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

23. Intangible assets

23.1 Measurement method, useful lives and impairment testing

1) Measurement of intangible assets

The Company initially measures intangible assets at cost on acquisition:

The costs of externally purchased intangible assets include purchase prices, relevant taxes and surcharges and other directly attributable expenditures incurred to prepare the assets for their intended uses.

2)Estimate of the useful life of the intangible assets with definite useful lives

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

3) Determination basis of intangible assets with indefinite useful lives

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

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

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

24. Long-term assets impairment

Long-term equity investment, investment real estate measured by cost model, fixed assets, construction projects in progress, intangible assets with limited useful life, oil and gas assets and other long-term assets, if there are signs of impairment on the balance sheet date, carry out impairment tests. If the impairment test results show that the recoverable amount of the asset is lower than its book value, the impairment provision shall be made according to its difference and included in the impairment loss. The recoverable amount is the higher between the fair value of the asset minus the disposal cost and the present value of the expected future cash flow of the asset. The asset impairment provision is calculated and confirmed on the basis of a single asset. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group is determined by the asset group to which the asset belongs. The asset group is the smallest portfolio that can independently generate cash inflows.

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

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

Goodwill in the relevant asset groups or combination of group assets impairment tests, such as the asset group or combination of group assets related to goodwill there are signs of impairment, the first does not include the goodwill of the asset group or combination of group assets impairment test, calculation of recoverable amount, and compared with the related book value, confirm the corresponding impairment loss. And goodwill of the asset group or combination of group assets impairment test, comparing its book value and recoverable amount, such as the recoverable amount is lower than the book value, the amount of impairment loss first deduction allocation to the asset group or combination of group assets in the book value of the goodwill, according to the asset group or combination of group assets all assets except goodwill in the book value of the proportion, the book value of the assets in proportion to offset each other. Once the above assets impairment loss is recognized, it will not be carried back in future accounting periods.

25.Long-term deferred expenses

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

25.1 Amortization method

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

25.2 Amortization years

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

26. Contract liability

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

Note: describe the method of recognition of contract liability

27.Employee compensation

27.1 Short-term compensation

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

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

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

27.2Dismissal welfare

1) Defined contribution plans

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

2) Defined benefit plans

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

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

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

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

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

27.3Post-employment benefits

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

27.4 Accounting method for other long-term employee welfare

28.Estimated liabilities

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

28.1 Recognition criteria of estimated liabilities

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

1) Such obligation is a present obligation of the Company;

2) The performance of this obligation may very probably lead to the flow of economic interests out of the Company; and

3) The amount of the obligation can be measured reliably.

28.2Measurement method of estimated liabilities

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

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

The best estimates shall be treated as follows in different circumstances:

If there is continuous range (or interval) for the necessary expenses, and probabilities of occurrence of all the outcomes within this range are equal, the best estimate should be determined at the average amount of upper and lower limits within the range.

If there is no continuous range (or interval) for the necessary expenses, or probabilities of occurrence of all the outcomes within this range are unequal although such a range exists, in case that the contingency involves a single item, the best estimate shall be determined at the most likely outcome; if the contingency involves two or more items, the best estimates should be determined according to all the possible outcomes with their relevant probabilities.

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

29. Revenue

29.1Accounting policies used for revenue recognition and measurement

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

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

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

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

• The customer acquires and consumes the economic benefits of the Company's performance at the same time.

• The customer can control the goods under construction during the performance of the Company.

• The goods produced in the course of the Company's performance have irreplaceable uses, and the Company has the right to collect money for the cumulative performance portion completed so far throughout the contract period.

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

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

• The Company has the right to collect the goods or services, that is, the customer has the current obligation to pay for the goods or services.

• The Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods.

• The Company has transferred the goods to customers, that is, customers have physical possession of the goods.

• The Company has transferred the main risk and reward in the ownership of the commodity to the customer, that is, the customer has obtained the main risk and reward in the ownership of the commodity.

• The customer has accepted the goods or services, etc.

29.2 Specific principles for revenue recognition

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

29.3Accounting policies used in revenue recognition and measurement

The Company recognizes revenue when it has fulfilled its performance obligations under the contract, that is, when the customer acquires control of the relevant goods or services. To acquire control of the relevant goods or services means to be able to dominate the use of the goods or services and gain almost all the economic benefits.

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

Transaction price means the amount of consideration that the Company expects to be entitled to receive in connection with the transfer of goods or services to the customer, excluding amounts received on behalf of third parties and amounts expected to be refunded to the customer. The Company determines the transaction price in accordance with the terms of the contract and in conjunction with its previous practices, and takes into account the influence of variable consideration, significant financing elements existing in the contract, non-cash consideration, customer consideration payable and other factors in determining the transaction price. The Company determines the transaction price with variable consideration at an amount not exceeding the amount by which the cumulative recognized revenue is highly unlikely to be materially reversed when the relevant uncertainty is eliminated. If there is a significant financing component in the contract, the Company shall determine the transaction price on the basis of the amount payable in cash that is assumed to be paid by the customer upon acquisition of control of the goods or services, and shall amortize the difference between the transaction price and the contract consideration by using the effective interest rate during the contract period.

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

• The customer obtains and consumes the economic benefits brought by the Company's performance of the contract while the Company performs the contract.

• The customer can control the goods under construction in the process of the Company's performance.

• The products produced by the Company during the performance of the contract have irreplaceable uses, and the Company has the right to receive payment for the cumulative part of the performance completed so far throughout the contract period.

For performance obligations performed within a certain period of time, the Company shall recognize revenue in accordance with the performance progress within that period, except where the performance progress cannot be reasonably determined. The Company considers the nature of goods or services, and adopts the output method or the input method to determine the performance progress. When the performance progress cannot be reasonably determined and the cost already incurred is expected to be compensated, the Company shall recognize revenue according to the amount of cost already incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain point in time, the Company recognizes revenue at the time-point when the customer takes control of the relevant goods or services. When determining whether the customer has acquired control of the goods or services, the Company considers the following indications:

• The Company has current rights to collect payments in respect of the goods or services, i.e. the customer has current payment obligations in respect of the goods or services.

• The Company has transferred legal ownership of the goods to the customer, that is, the customer has legal ownership of the goods.

• The Company has transferred the physical goods to the customer, that is, the customer is in possession of the physical goods.

• The Company has transferred the main risks and rewards of ownership of the goods to the customer, i.e. the customer has acquired the main risks and rewards of ownership of the goods.

• The customer has accepted the goods or services, etc.

29.4 Specific principle of revenue recognition

Hotel business revenue sources include guest rooms, food and beverage, commodity sales, entertainment services, etc. The revenue of guest room, food and beverage, and entertainment services shall be recognized at the end of service provision, and the revenue from sales of goods shall be recognized as revenue when the control of goods is transferred to the customer, that is, when the goods are delivered to the customer without any non-performance obligations affecting the customer's receipt of goods, the revenue shall be recognized.

Similar business adopting different business models leads to differences in revenue recognition and accounting policies

30. Government subsidy

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

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

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

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

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

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

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

Deferred income tax assets are recognized for deductible temporary differences related to the investment of subsidiaries, associated enterprises and joint ventures when the temporary differences are likely to be reversed in the foreseeable future and are likely to receive taxable income in the future to offset deductible temporary differences.

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

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

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

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

• The tax payer has the legal right to settle current income tax assets and current income tax liabilities by net;

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

31.Lease

31.1Accounting treatment of operating lease

1) The rental fees paid for the asset leased by the Company will be amortized over the entire lease term without deducting rent-free period according to the straight-line method and included in the expenses for the current period. The initial direct costs related to the lease transactions paid by the Company are included in the current expenses.

When assets lessor bears costs related to the lease borne by the Company, the Company shall deduct the part of expenses from the total rents and amortize the rents after deduction over the lease term and include them in current expenses.

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

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

31.2 Accounting treatment of finance lease

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

2) Financial leasing assets: the Company shall, at the beginning of the lease, recognize the difference between the sum of the receivable financial leasing payments, the unsecured residual value and its present value as unrealized financing income, which shall be recognized as lease income within the period of receiving the rent in the future.

The initial direct expenses incurred by the company in connection with the lease transaction shall be included in the initial measurement of the finance lease receivable and shall reduce the amount of income recognized during the lease term.

32.Changes in significant accounting policies and accounting estimates

There are no significant changes in accounting policies and accounting estimates

V. 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%, 13%
Consumption tax		
Urban maintenance and construction tax	Levied based on VAT payable	7%
Enterprise income tax	Levied based on the taxable income	25%, 20%
Education surtax	Levied based on VAT payable	3%
Local education surtax	Levied based on VAT payable	2%
Housing property tax	Remaining value after deducting 30% from the original value of the house (including the occupied land price), and rent revenue	1.2%, 12%

2. Tax preference

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

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

rate of 20%,the subsidiary of the Company, Wengao Tourism, is a small and low-profit enterprise, enjoying the preferential income tax policy of reducing the taxable income amount by 25% and paying the enterprise income tax at the tax rate of 20%.

VI. Notes to the main items of the financial statements

1. Monetary funds

In RMB

Item	Ending balance	Beginning balance
Cash on hand	151,571.07	179,111.10
Bank deposits	3,089,049.44	2,745,348.65
Other monetary fund		
Total	3,240,620.51	2,924,459.75

Other explanation

2. Accounts receivable

(1) Disclosure of account receivables by category

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Provision ratio		Amount	Proportion	Amount	Provision ratio	
Accounts receivable with provision for bad debts based on portfolios	251,735.65	100.00%	162,705.01	64.63%	89,030.64	592,008.33	100.00%	162,705.01	27.48%	429,303.32
Total	251,735.65	100.00%	162,705.01	64.63%	89,030.64	592,008.33	100.00%	162,705.01	27.48%	429,303.32

Released by account age

In RMB

Account age	Book balance
Within 1 year (inclusive)	139,574.85
1-2 years	19,092.00
2-3 years	2,259.00

Over 3 years	90,809.80
3-4 years	566.00
4-5 years	785.00
Over 5 years	89,458.80
Total	251,735.65

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

Provision for bad debt in the period

In RMB

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

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

In RMB

Name of entity	Ending balance of account receivable	Proportion in the total accounts receivable at period-end	Ending balance of the bad debt provision
Shanghai Hecheng International Travel Service Co., Ltd.	92,811.11	36.87%	13,203.33
Guangzhou Design Institute	38,980.00	15.48%	38,980.00
Yangpu Huayu Road & Bridge Technology Co., Ltd.	18,633.00	7.40%	18,633.00
China International Travel Service (Beijing)	13,540.20	5.38%	13,540.20
Sanya Baishun International Travel Service Co., Ltd.	11,500.00	4.57%	11,500.00

3. Other receivable

In RMB

Item	Ending balance	Beginning balance
Interest receivable		
Dividend receivable		

Other receivable	522,032.39	432,560.55
Total	522,032.39	432,560.55

Other account receivables

1) Other account receivable disclosed by nature

In RMB

Nature	Ending book balance	Opening book balance
Utility bills	167,719.86	189,577.27
Margin	156,500.00	156,500.00
Social insurance and housing provident funds	59,657.19	59,657.19
Petty cash	178,141.93	56,812.68
Elevator installation fee		10,000.00
Deposit	600.00	600.00
Total	562,618.98	473,147.14

2) Provision for bad debt:

In RMB

Provision for bad debt	First stage	Second stage	Third stage	Total
	Expected credit loss in next 12 months	Expected credit loss for the whole duration (no credit impairment)	Expected credit loss for the whole duration (credit impairment has occurred)	
Balance as at 1 Jan. 2021	40,586.59			40,586.59
Balance as at January 1. 2021 in current period	——	——	——	——
--Transfer in second stage				
--Transfer in third stage				
--Reverse to second stage				
--Reverse to first stage				
Accrual in the Period				
Reverse in the Period				
Charge off in the Period				
Write-off in the Period				
Other changes				
Balance as at 30 June 2021	40,586.59			40,586.59

Released by account age

In RMB

Account age	Book balance
Within 1 year (inclusive)	444,074.24
1-2 years	26,836.90
2-3 years	
Over 3 years	2,236.00
3-4 years	
4-5 years	
Over 5 years	2,236.00
Total	473,147.14

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

Provision for bad debt in the period

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrual	Reversal or switch-back	Write-off	Other	
Other receivables	40,586.59					40,586.59
Total	40,586.59					40,586.59

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

In RMB

Name of entity	Nature	Ending balance	Account age	Proportion in total amount of other accounts receivable at period-end	Ending balance of the bad debt provision
Labor Security Supervision Detachment of Sanya	Margin	156,500.00	Within 1 year	27.82%	7,825.00
Hainan Zhongzhida Technology Co., Ltd.	Application fee	60,000.00	Within 1 year	10.66%	
Personal social insurance premium	Advance payment	49,471.81	Within 1 year	8.79%	2,366.36
Ding Qin	Petty cash	49,526.97	Within 1 year	8.80%	
Fresh shower room	Utility bills	25,993.04	Within 1	4.62%	

			year		
Total	--	341,491.82	--	60.70%	10,191.36

4. Inventories

(1) Classification of inventories

In RMB

Item	Ending balance			Beginning balance		
	Book balance	Provision for inventory depreciation or provision for impairment of contract performance costs	Book value	Book balance	Provision for inventory depreciation or provision for impairment of contract performance costs	Book value
Raw materials	443,425.35	310,260.94	133,164.41	479,614.80	310,260.94	169,353.86
Commodity stocks	22,771.38	11,102.41	11,668.97	22,771.38	11,102.41	11,668.97
Food materials and beverages	53,784.97		53,784.97	1,803,651.50		1,803,651.50
Fuel	22,856.65		22,856.65	25,254.50		25,254.50
Total	542,838.35	321,363.35	221,475.00	2,331,292.18	321,363.35	2,009,928.83

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

In RMB

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

5. Other current assets

In RMB

Item	Ending balance	Beginning balance
VAT input tax to be deducted	1,674,996.28	2,219,513.16
Prepaid enterprise income tax	1,702,702.80	1,702,702.80
Prepaid individual income tax		2,517.22
Prepayments	69,292.46	52,719.06
Total	3,446,991.54	3,977,452.24

6. Investment properties

Investment properties measured at cost

In RMB

Item	Buildings and constructions	Land use rights	Construction in process	Total
I. Original book value				
1.Beginning balance	18,856,504.44	5,662,740.59	24,519,245.03	18,856,504.44
2.Current increase				
3.Current decrease				
4.Ending balance	18,856,504.44	5,662,740.59	24,519,245.03	18,856,504.44
II. Accumulated depreciation and accumulated amortization				
1.Beginning balance	11,443,950.66	2,332,406.45	13,776,357.11	11,443,950.66
2.Current increase	209,091.78	28,170.00	237,261.78	209,091.78
(1)Provision or amortization	209,091.78	28,170.00	237,261.78	209,091.78
3.Current decrease				
(1)Disposal				
(2)Other transfer-out				
4.Ending balance	11,653,042.44	2,360,576.45	14,013,618.89	11,653,042.44
III. Provision for impairment				
1.Beginning balance	1,404,400.47	1,903,054.14	3,307,454.61	1,404,400.47
2.Current increase				
3. Current decrease				
4.Ending balance	1,404,400.47	1,903,054.14	3,307,454.61	1,404,400.47
IV. Book value				
1.Ending book value	5,799,061.53	1,399,110.00	7,198,171.53	5,799,061.53

2.Opening book value	6,008,153.31	1,427,280.00	7,435,433.31	6,008,153.31

7. Fixed assets

In RMB

Item	Ending balance	Beginning balance
Fixed assets	32,957,434.73	34,694,023.75
Fixed assets liquidation		
Total	32,957,434.73	34,694,023.75

Note: the "Fixed assets" above listed refers to the fixed assets after deducted the disposal of fixed assets

(1) Fixed assets

In RMB

Item	Houses and buildings	Mechanical equipment	Transportation equipment	Electronic equipment	Other equipment	Total
I. Original book value：						
1.Beginning balance	136,789,501.82	10,247,058.30	1,742,065.57	1,823,519.07	4,070,039.35	154,672,184.11
2.Current increase				81,077.89	21,492.18	102,570.07
(1) Purchase				81,077.89	21,492.18	102,570.07
(2)Transfer from construction in progress						
(3)Increase from business combinations						
3.Current decrease						
(1)Disposal or write-off						
4.Ending balance	136,789,501.82	10,247,058.30	1,742,065.57	1,904,596.96	4,091,531.53	154,774,754.18
II. Accumulated amortization						
1.Beginning balance	76,850,214.26	7,490,603.22	1,253,748.18	700,804.72	1,044,848.02	87,340,218.40
2.Current increase	1,087,717.44	181,084.50	44,478.60	162,057.39	363,821.16	1,839,159.09
(1) Provision	1,087,717.44	181,084.50	44,478.60	162,057.39	363,821.16	1,839,159.09
3.Current decrease						
(1)Disposal or						

write-off						
4.Ending balance	77,937,931.70	7,671,687.72	1,298,226.78	862,862.11	1,408,669.18	89,179,377.49
III. Provision for impairment						
1.Beginning balance	31,072,788.17	1,565,153.79				32,637,941.96
2.Current increase						
3.Current decrease						
4.Ending balance	31,072,788.17	1,565,153.79				32,637,941.96
IV. Book value						
1.Ending book value	27,778,781.95	1,010,216.79	443,838.79	1,041,734.85	2,682,862.35	32,957,434.73
2.Opening book value	28,866,499.39	1,191,301.29	488,317.39	1,122,714.35	3,025,191.33	34,694,023.75

Other notes

8. Intangible assets

(1) Intangible assets

In RMB

Item	Land use rights	Total
I. Original book value		
1.Beginning balance	81,653,137.15	81,653,137.15
2.Current increase		
3.Current decrease		
4.Ending balance	81,653,137.15	81,653,137.15
II. Accumulated amortization		
1.Beginning balance	33,631,825.59	33,631,825.59
2.Current increase	406,193.58	406,193.58
(1) Provision	406,193.58	406,193.58
3.Current decrease		
4.Ending balance	34,038,019.17	34,038,019.17
III. Provision for impairment		
1.Beginning balance	27,440,836.84	27,440,836.84
2.Current increase	27,440,836.84	27,440,836.84
3.Current decrease		
4.Ending balance	20,174,281.14	20,174,281.14

IV. Book value	20,580,474.72	20,580,474.72
1.Ending book value		
2.Opening book value	81,653,137.15	81,653,137.15

9. Long-term deferred expenses

In RMB

Item	Beginning balance	Increase in period	Amortization in period	Amount of other decreases	Ending balance
B building guest room renovation project	14,149,911.76	-436,906.54	1,423,928.40		12,289,076.82
Building A Fire Stair Renovation Project	11,423.92		8,567.82		2,856.10
C building guest room, villa, swimming pool renovation project	1,054,763.10		301,360.80		753,402.30
Villa reconstruction	7,160,831.38		934,021.50		6,226,809.88
Building A renovation project	345,134.02		45,017.46		300,116.56
Floor waterproofing renovation project	296,073.35		37,009.20		259,064.15
Staff dormitory renovation project	526,177.78		65,772.24		460,405.54
Landscape greening project	1,413,387.42		151,434.36		1,261,953.06
Villa renovation project		82,916.55	6,909.68		76,006.87
Total	24,957,702.73	-353,989.99	2,974,021.46		21,629,691.28

Other description

10. Accounts payable

Presentation of accounts payable

In RMB

Item	Ending balance	Beginning balance
Payment for purchase	783,286.87	586,111.30
Accounts payable provisionally estimated	124,838.48	72,669.88
Service charges	96,314.30	134,562.18
Payment for projects	14,274.10	14,274.10

Consignment sales	1,093.00	1,093.00
Total	1,019,806.75	808,710.46

11. Contractual liability

In RMB

Item	Ending balance	Beginning balance
Room and meal fees	875,822.38	626,285.33
Total	875,822.38	626,285.33

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

12. Employee compensation payable

(1) Presentation of employee compensation payable

In RMB

Item	Beginning balance	Increase in Period	Decrease in Period	Ending balance
I. Short-term compensation	2,595,861.40	5,412,829.05	5,550,647.47	2,458,042.98
II. Post-employment benefits - defined contribution plans		506,732.61	506,732.61	
3. Demission welfare				
4. Other welfare due within one year				
Total	2,595,861.40	5,919,561.66	6,057,380.08	2,458,042.98

(2) Presentation of short-term compensation

In RMB

Item	Beginning balance	Increase in Period	Decrease in Period	Ending balance
1. Salaries, bonuses, allowances and subsidies	1,378,009.71	4,349,794.53	4,507,834.87	1,219,969.37
2. Employee welfare expenses		613,909.60	613,909.60	
3. Social insurance premiums		265,648.95	265,648.95	
Including: medical insurance premiums		261,044.24	261,044.24	

Work-related injury insurance premiums		4,604.71	4,604.71	
4. Housing provident funds		99,126.00	99,126.00	
5. Labor union expenditures and employee education funds	1,217,851.69	84,349.97	64,128.05	1,238,073.61
6.Short-term paid absence				
7.Short-term profit sharing plan				
Total	2,595,861.40	5,412,829.05	5,550,647.47	2,458,042.98

(3) Presentation of defined contribution plans

In RMB

Item	Beginning balance	Increase in Period	Decrease in Period	Ending balance
1.Basic endowment insurance premiums		491,376.02	491,376.02	
2.Unemployment insurance premiums		15,356.59	15,356.59	
3.Enterprise annuity payment				
Total		506,732.61	506,732.61	

Other notes

13. Taxes payable

In RMB

Item	Ending balance	Beginning balance
Consumption tax	135,982.62	146,530.24
Urban maintenance and construction tax	920.12	738.33
Individual income tax	57,506.87	44,362.22
Housing property tax	115,125.07	120,439.32
Land use tax	54,295.47	54,295.47
Educational surtax	395.71	316.43
Local education surtax	263.79	210.95
Total	364,489.65	366,892.96

Other note

14. Other payable

In RMB

Item	Ending balance	Beginning balance
Interest payable		
Dividend payable		
Other payable	3,027,832.98	6,167,763.36
Total	3,027,832.98	6,167,763.36

Presentation of other payable by nature

In RMB

Item	Ending balance	Beginning balance
Engineering and quality retention money	1,455,676.92	4,433,900.06
Staff dormitory rental fees, etc.		1,013,939.39
Margin	609,107.57	295,089.81
On behalf of collection or payment	39,807.45	142,856.24
Employee deposits	87,820.00	87,820.00
Announcement fee	411,550.00	171,550.00
Other	423,871.04	22,607.86
Total	3,027,832.98	6,167,763.36

15. Non-current liability due within one year

In RMB

Item	Ending balance	Beginning balance
Long-term borrowing due within one year - principal		6,598,477.52
Long-term borrowing due within one year – accrual interest payable	11,508.13	23,020.42
Total	11,508.13	6,621,497.94

16. Other current liability

In RMB

Item	Ending balance	Beginning balance
Tax to be exported	52,549.34	37,577.12
Total	52,549.34	37,577.12

17. Long-term loans

(1) Long-term loan classification

In RMB

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

Explanation of long-term loan classification:

Note: The mortgage loan of 9,893,757.94 yuan is the loan of the Company from the Haikou Branch of Industrial Bank Co., Ltd., the term of which is from April 23, 2020 to April 9, 2023, and the mortgage guarantee is made on the property with the total area of 1,446.00 square meters under the Company's name and the assessed value of 39,263,245.00 yuan.

18. Estimated liabilities

In RMB

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

19. Other non-current liability

In RMB

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

20. Share capital

In RMB

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

21. Capital reserves

In RMB

Item	Beginning balance	Increase in Period	Decrease in Period	Ending balance
Capital premium (equity premium)	33,336,215.58			33,336,215.58
Other capital reserves	20,806,634.43			20,806,634.43
Total	54,142,850.01			54,142,850.01

Other description

22. Undistributed profit

In RMB

Item	Current Period	Last Period
Undistributed profit as at the end of the previous period before adjustment	-351,324,135.02	-339,756,246.05
Total adjustment to undistributed profit as at the beginning of the period ("+" for increase and "-" for decrease)		
Undistributed profit as at the beginning of the period after adjustment	-351,324,135.02	-339,756,246.05
Plus: net profit attributable to owners of the parent company in the current period	1,452,925.92	-6,631,450.42
Less: withdrawal legal surplus		
Withdrawal other common accumulation fund		
Withdrawal general risk provision 备		
Common stock dividends payable		
Dividends transferred to capital		
Undistributed profit as at the end of the period	-349,871,209.10	-346,387,696.47

23. Operating revenue and operating cost

In RMB

Item	The period		Last period	
	Revenue	Cost	Revenue	Cost
Primary business	15,175,697.66	8,087,149.94	4,089,491.05	4,815,416.65
Other business	3,904,081.75	1,972,936.47	892,380.95	237,261.78
Total	19,079,779.41	10,060,086.41	4,981,872.00	5,052,678.43

Revenue:

In RMB

Contract type	1# Division	2# Division		Total
Product type	19,079,779.41			19,079,779.41
Including:				
Room revenue	12,893,253.55			12,893,253.55
Catering income	2,282,444.11			2,282,444.11
Other income	3,904,081.75			3,904,081.75
Classified by business area	19,079,779.41			19,079,779.41
Including:				
Hainan area	19,079,779.41			19,079,779.41
Total	19,079,779.41			19,079,779.41

24. Taxes and surcharges

In RMB

Item	The period	Last period
Urban construction tax	5,473.64	8,585.55
Educational surtax	2,345.84	3,679.52
Housing property tax	203,448.00	107,793.75
Land use tax	108,590.94	54,295.47
Vehicle and vessel use tax	3,720.00	3,720.00
Stamp tax		1,604.90
Local education surtax	1,563.89	2,453.01
Total	325,142.31	182,132.20

25. Selling expenses

In RMB

Item	The period	Last period
Employee salaries	1,495,226.13	1,242,607.28
Depreciation	336,240.00	304,221.29
Employee benefits	197,979.00	156,846.00
Repair charges	39,745.57	42,286.85
Social insurance premiums	280,722.20	78,443.06
Utility bills	121,525.95	58,581.48

Amortization of low cost consumables	13,036.72	33,958.67
Labor union expenditures and employee education funds	29,904.55	43,491.32
Operating supplies	84,065.25	22,018.96
Fuel fees	28,762.55	45,445.32
Promotion fees	41,094.42	5,006.36
Housing provident funds	31,170.00	30,300.00
Other expenses	21,075.83	31,987.65
Total	2,720,548.17	2,095,194.24

Other notes

26. Administrative expenses

In RMB

Item	The period	Last period
Salaries	2,121,155.60	2,064,631.13
Amortization of intangible assets	406,193.58	406,193.58
Welfare	300,077.60	455,141.21
Entertainment expenses	81,045.24	179,012.82
Agency fee	405,100.00	390,000.00
Depreciation	170,219.14	161,678.90
Social labor insurance premium	345,957.62	119,453.23
Announcing fee	220,000.00	12,900.00
Travel expenses	103,295.84	97,323.85
Repair charge	44,390.02	28,711.24
Housing provident funds	52,956.00	50,158.00
Funds for labor union and staff education	40,047.07	64,358.11
Promotion fees	1,440.00	
Other expenses	90,139.09	171,373.28
Total	4,382,016.80	4,200,935.35

27. Financial expenses

In RMB

Item	The period	Last period
Interest expenses	360,946.81	76,128.55
Handling charges	32,462.02	11,635.79
Less: interest income	-17,993.99	-89,077.69
Total	375,414.84	-1,313.35

27. Other income

In RMB

Sources of other income	The period	Last period
VAT input tax plus deduction	233,438.24	262,840.35

29. Asset impairment loss

Item	Current Period	Last Period
1.Losses from bad debts		
2. Inventory falling price loss and impairment loss of contract performance cost		
3. Impairment loss of long-term equity investment		
4. Impairment loss of investment property		
5. Impairment loss of fixed assets		
6. Impairment loss of construction materials		
7. Impairment loss of construction in process		
8. Impairment loss of productive biological assets		
9.Impairment loss of oil-and-gas assets		
10.Impairment loss of intangible assets		
11. Impairment loss of goodwill		
12. Impairment loss of contract assets		
13.Other		
Total		

30. Non-operating revenue

In RMB

Item	The period	Last period	Amount included in the current non-recurring profit or loss
Others income	3,739.40	2,593.62	3,739.40
Total	3,739.40	2,593.62	3,739.40

31. Non-operating expenses

In RMB

Item	The period	Last period	Amount included in the current non-recurring profit or loss
Non-monetary asset exchange losses			
External donation			
Late payment	822.60		822.60
Loss on scrapping of fixed assets		19,129.52	
Other		330,000.00	
Total	822.60	349,129.52	822.60

32. Income tax expenses

Accounting profit and income tax expense adjustment process

In RMB

Item	Current Period
Total profit	1,452,925.92
Income tax based on statutory/applicable rate	
Impact by different tax rate applied by subsidies	
Effect of adjusting the income tax in previous period	
Impact of non-taxable income	
Impact on cost, expenses and losses that unable to deducted	
Impact of deductible loss of un-recognized deferred income tax assets in the prior period of use	
The deductible temporary differences or deductible losses of the un-recognized deferred income tax assets in the Period	
Income tax expense	

Other description

33. Notes to items of statement of cash flows

(1) Cash received from other operating activities

In RMB

Item	The period	Last period
Collection of utility bills	374,759.98	256,746.31
Collection of interest income	17,993.99	89,077.69
Collection of other	187,616.35	156,006.36
Total	580,370.32	501,830.36

Note of cash received from other operating activities

(2) Cash paid for other operating activities

In RMB

Item	The period	Last period
Social intercourse fees	81,045.24	179,012.82
Intermediary agency audit fee	405,100.00	403,000.00
Announcement fee	220,000.00	60,000.00
Expenses for business trips	107,757.07	98,590.03
Posts costs	124,034.44	153,422.54
Repair charges	139,074.96	93,463.88
Promotion fee	114,175.43	25,341.72
Office expenses	10,250.13	9,149.57
Financial cost	32,152.02	11,475.79
Property insurance premiums	15,311.00	17,868.16
Director supervisor allowance	312,000.00	390,000.00
Reserve fund loan	136,850.00	131,691.00
Other expenses	205,454.00	311,324.66
Total	1,903,204.29	1,884,340.17

Note of cash paid for other operating activities

34. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

In RMB

Supplementary information	Current period	Last period
1. Net profit adjusted to cash flows from operating activities	--	--
Net profit	1,452,925.92	-6,631,450.42
Plus: Provision for impairment of assets		
Depreciation of fixed assets, depreciation and depletion of oil and gas assets and depreciation of productive biological assets	2,048,250.87	1,850,489.52
Depreciation of right-of-use assets		
Amortization of intangible assets	434,363.58	429,312.58
Amortization of long-term deferred expenses	2,974,021.46	1,380,786.97
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)		
Losses from write-off of fixed assets ("-" for gains)		
Losses from changes in fair value (“-” for gains)		
Financial expenses ("-" for gains)		
Investment losses ("-" for gains)		
Decreases in deferred income tax assets ("-" for increases)		
Increases in deferred income tax liabilities ("-" for decreases)		
Decreases in inventories ("-" for increases)	1,788,453.83	-3,203.82
Decreases in operating payable (“-” for increases)	645,861.14	402,181.50
Increases in operating payable ("-" for decreases)	1,276,597.25	-2,217,307.25
Others		
Net cash flow from operating activities	10,620,474.05	-4,789,190.92
2. Significant investing and financing activities not involving cash receipts and payments	--	--
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets acquired under financing leases		
3. Net changes in cash and cash equivalents	--	--
Ending balance of cash	3,240,620.51	17,832,633.21

Less: beginning balance of cash	2,924,459.75	7,422,939.89
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	316,160.76	10,409,693.32

(4) Breakdowns of cash and cash equivalents

In RMB

Item	Ending balance	Beginning balance
I. Cash	3,240,620.51	2,924,459.75
Including: cash on hand	151,571.07	179,111.10
Bank deposits available for payment at any time	3,089,049.44	2,745,348.65
Other monetary funds available for payment at any time		
Deposit of central bank funds available for payment		
Deposits in other banks		
Interbank lending		
II. Cash equivalent		
Including: bond investment due within three months		
III. Balance of cash and cash equivalents at end of the period	3,240,620.51	2,924,459.75
Including: restricted use of cash and cash equivalent in parent company or subsidiary in Group		

Other notes:

VIII. Change of the consolidation scope

Business combination under common control

(1) Business combinations under the same control that occurred in the current period

In RMB

Combined party	Percentage of equity acquired in enterprise combinati	Constitute the basis for the enterprise combination under the same	Combining date	Basis for determining the date of combination	Income of the combined party from the beginning of the	Net profit of the combined party from the beginning of the	Income of the combined party during the comparison period	Net profit of the combined party during the comparison period

	on	control			period of combination to the date of combination	period of combination to the date of combination		
Hainan Wengao Tourism Resources Development Co., Ltd.	100.00%	Wholly-owned holding	June 30, 2021	Company establishment day	0.00	-308.79	0.00	-345.58

(2) Consolidation cost

In RMB

Combination cost	
--Cash	676.70
- Book value of non-cash assets	
- Book value of debt issued or assumed	
--The face value of the equity securities issued	
--Contingent consideration	

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

In RMB

	Combination date	At the end of the previous period
Assets:		
Monetary funds	676.70	985.49
Accounts receivable	999,468.70	999,468.70
Inventory		
Fixed assets		
Intangible assets		
Liabilities:		
Loan		
Account payable		
Net assets	1,000,145.40	1,000,454.19
Less: minority interest		
Net assets acquired	1,000,145.40	1,000,454.19

VIII. Rights and interests in other entities

Name of subsidiary	Principal place of business	Registration place	Business nature	Shareholding ratio		Method of acquisition
				Direct	Indirect	
Hainan Wengao Tourist Resources Development Co., Ltd.	Sanya, Hainan	Block B, Main Building, Hainan Dadonghai Tourism Centre (Holdings) Co., Ltd., No. 2, Yuhai Road, Jiyang District, Sanya City, Hainan Province	Leasing and commercial service industries	100.00%		Newly established

Other explanation

IX. Related parties and related party transactions

1. Parent company

Name of the parent company	Registration place	Business nature	Registered capital	Shareholding ratio in the Company	Voting ratio in the Company
Luoniushan Co., Ltd.	Haikou	Planting and breeding industry	1151.51 million yuan	17.55%	19.80%

Explanation: As at 31 Dec., 2021, Luoniushan Co., Ltd. (hereinafter referred to as "Luoniushan") and its wholly-owned subsidiary Hainan Ya'anju Property Services Co., Ltd. held a total of 72,092,000 A shares of the Company, accounting for 19.80 % of the Company's total share capital, so it is the Company's largest shareholder.

2. Related party transactions

(1) Related party transactions of purchasing and selling commodities, providing and receiving labor services

Sales of goods/provided labor service:

In RMB

Related party	Content of related-party transaction	The period	Last period
Hainan Luoniushan Food Group Co., Ltd.	Room and meal fees	2,294,559.80	

Luoniushan Co., Ltd.	Room and meal fees	4,335.00	3,692.00

Note of related party transactions of purchasing and selling commodities, providing and receiving labor service

(2) Key management personnel emoluments

In RMB

Item	The period	Last period
Key management personnel emoluments	800,400.00	677,960.00

3. Receivables and payable of the related party

(1) Receivable

In RMB

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

(2) Payable

In RMB

Item	Related party	Ending book balance	Opening book balance
Contract liability	Hainan Luoniushan Food Group Co., Ltd.	5,440.20	

X. Commitments and contingencies

1. Commitments

As of the balance sheet date, the company has no important commitments.

2. Contingencies

(1) Major contingencies on balance sheet date

On May 26, 2016, the Company received a lawyer letter from Hainan Yunfan Law Firm entrusted by Sanya Power Supply Bureau of Hainan Power Grid Co., Ltd. (hereinafter referred to as "Sanya Power Supply Bureau"), saying that Sanya Power Supply Bureau found, in verifying electricity consumption by South China Hotel, a subsidiary of the Company, that the current transformer (CT) installed in the distribution center metering counters in South

China Hotel installed was inconsistent with the record in the marketing management system file of Sanya Power Supply Bureau, and the duration of the inconsistence was from July 2006 when South China Hotel changed its electricity consumption measuring device to April 2016. According to the statistics, electricity consumption of 10313373 KWH was measured in short, which was estimated to be valued at RMB 7,200,165.75 according to the electricity prices and surcharge rates in the years.

According to the Legal Consultation Advice on Electricity Quantity (Electricity Charge) Claiming Dispute between South China Hotel and Sanya Power Supply Bureau issued by Beijing Junhe (Haikou) Law Firm on December 20, 2016, as all electricity consumption metering devices are purchased, installed, sealed, opened and replaced by Sanya Power Supply Bureau Responsible, the short measurement of electricity charge from South China Hotel for many years was due to the fault of Sanya Power Supply Bureau, and was irrelevant to South China Hotel. Pursuant to Article 135 of the General Principles of Civil Law: "Except as otherwise stipulated by law, the limitation of action regarding applications to a people's court for protection of civil rights shall be two years., the Company accrued an amount of RMB 1,489,685.04 for the electricity charge for electricity quantity measured in short during two years from April 2014 to April 2016. As at December 31, 2020, no further progress was made on this matter.

XI. Post balance sheet events

As of balance sheet date, the Company has no post balance sheet events.

XII. Notes to main items of financial statements of the parent company

1. Accounts receivable

(1) Disclosure of account receivables by category

In RMB

Category	Ending balance					Beginning balance				
	Book balance		Provision for bad debt		Book value	Book balance		Provision for bad debt		Book value
	Amount	Ratio	Amount	Provision ratio		Amount	Ratio	Amount	Provision ratio	
Accounts receivable with provision for bad debts based on portfolios	251,735.65	100.00%	162,705.01	64.63%	89,030.64	592,008.33	100.00%	162,705.01	27.48%	429,303.32
Total	251,735.65	100.00%	162,705.01	64.63%	89,030.64	592,008.33	100.00%	162,705.01	27.48%	429,303.32

Released by account age

In RMB

Account age	Ending balance
Within 1 year (including 1 year)	139,574.85
1 year to 2 years	19,092.00
2 years to 3 years	2,259.00
Over 3 years	90,809.80
3 years to 4 years	566.00
4 years to 5 years	785.00
Over 5 years	89,458.80
Total	251,735.65

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

Provision for bad debt in the period:

In RMB

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

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

In RMB

Name of entity	Ending balance of account receivable	Proportion in the total accounts receivable at period-end	Ending balance of the bad debt provision
Shanghai Hecheng International Travel Service Co., Ltd.	92,811.11	36.87%	13,203.33
Guangzhou Design Institute	38,980.00	15.48%	38,980.00
Yangpu Huayu Road & Bridge Technology Co., Ltd.	18,633.00	7.40%	18,633.00
China International Travel Service (Beijing)	13,540.20	5.38%	13,540.20
Sanya Baishun International Travel Service Co., Ltd.	11,500.00	4.57%	11,500.00

Total	175,464.31	69.70%	

2. Other account receivable

In RMB

Item	Ending balance	Beginning balance
Interest receivable		
Dividend receivable		
Other account receivable	522,032.39	432,560.55
Total	522,032.39	432,560.55

(3) Other account receivable

1) Other account receivable disclosed by nature

In RMB

Nature	Ending book balance	Opening book balance
Utility bills	167,719.86	189,577.27
Margin	156,500.00	156,500.00
Social insurance and housing provident funds	59,657.19	59,657.19
Petty cash	178,141.93	56,812.68
Elevator installation fee		10,000.00
Deposit	600.00	600.00
Total	562,618.98	473,147.14

2) Provision for bad debt:

In RMB

Provision for bad debt	First stage	Second stage	Third stage	Total
	Expected credit loss in next 12 months	Expected credit loss for the whole duration (no credit impairment)	Expected credit loss for the whole duration (credit impairment has occurred)	
Balance as at 1 Jan. 2021	40,586.59			40,586.59
Balance as at January 1. 2021 in current period	——	——	——	——
--Transfer in second stage				

--Transfer in third stage				
--Reverse to second stage				
--Reverse to first stage				
Accrual in the Period				
Reverse in the Period				
Charge off in the Period				
Write-off in the Period				
Other changes				
Balance as at 30 June 2021	40,586.59			40,586.59

Released by account age

In RMB

Account age	Ending balance
Within 1 year (inclusive)	444,074.24
1-2 years	26,836.90
2-3 years	
Over 3 years	2,236.00
3-4 years	
4-5 years	
Over 5 years	2,236.00
Total	473,147.14

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

Provision for bad debt in the period

In RMB

Category	Beginning balance	Amount changed in the period				Ending balance
		Accrual	Reversal or switch-back	Charge off	Other	
Other account receivable	40,586.59					40,586.59
Total	40,586.59					40,586.59

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

In RMB

Name of entity	Nature	Ending balance	Account age	Proportion in total amount of other	Ending balance of the bad debt

				accounts receivable at period-end	provision
Labor Security Supervision Detachment of Sanya	Margin	156,500.00	Within 1 year	27.82%	7,825.00
Hainan Zhongzhida Technology Co., Ltd.	Application fee	60,000.00	Within 1 year	10.66%	
Personal social insurance premium	Advance payment	49,471.81	Within 1 year	8.79%	2,366.36
Ding Qin	Petty cash	49,526.97	Within 1 year	8.80%	
Fresh shower room	Utility bills	25,993.04	Within 1 year	4.62%	
Total	--	341,491.82	--	60.70%	10,191.36

3. Long-term equity investments

In RMB

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

(1) Investment in subsidiaries

In RMB

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

4. Operating revenue and operating cost

In RMB

Item	The period	Last period

	Revenue	Cost	Revenue	Cost
Primary business	15,175,697.66	8,087,149.94	4,089,491.05	4,815,416.65
Other businesses	3,904,081.75	1,972,936.47	892,380.95	237,261.78
Total	19,079,779.41	10,060,086.41	4,981,872.00	5,052,678.43

Revenue:

In RMB

Contract type	1# Division	2# Division		Total
Product type	19,079,779.41			19,079,779.41
Including:				
Room revenue	12,893,253.55			12,893,253.55
Catering income	2,282,444.11			2,282,444.11
Other income	3,904,081.75			3,904,081.75
Classified by business area	19,079,779.41			19,079,779.41
Total	19,079,779.41			19,079,779.41

XVIII. Supplementary information

1. Breakdown of current non-recurring profits and losses

In RMB

Item	Amount	Remark
Profit or loss from disposal of non-current assets	400.00	Disposal proceeds from sale
Government grants included in the current profit or loss (except for government grants closely related to the enterprise business, obtained by quota or quantity at unified state standards)	233,438.24	Income related to VAT input tax credit
Other non-operating revenue and expenses except for the above-mentioned items	2,516.80	Other income
Total	236,355.04	--

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	2.15%	0.0040	0.0040

Net profits attributable to ordinary shareholders of the Company after deduction of non-recurring profits or losses	1.80%	0.0033	0.0033

3. Accounting difference between IFRS and CAS

There are no accounting differences between IFRS and CAS.

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

19 August 2021