

Company Code: 600350

Abbreviation of Company: Shangdong Hi-Speed

Annual Report of Shandong Hi-Speed Co. Ltd. of 2020

Notes

I. The Board of Directors, Board of Supervisors, directors, supervisors and executives of the Company guarantee the truthfulness, accuracy and completeness without any false or misleading statements or material omissions herein, and shall bear joint and several legal liabilities.

II. Absent directors

Post of absent director	Name of absent director	Reason for absence	Name of delegate
Independent Director	Fan Yuejin	Because of work	Wei Jian

III. Shinewing Certified Public Accountants (Special Partnership) has issued an unqualified auditor's report for the Company.

IV. Mr. Sai Zhiyi, the head of the Company, Mr. Lyu Sizhong, Chief Accountant who is in charge of accounting affairs, Mr. Zhou Liang, and Chen Fang (accountant in charge) from ShineWing declared to guarantee the truthfulness, accuracy and completeness of the annual report.

V. With respect to the profit distribution plan or common reserves capitalizing plan during the reporting period reviewed by the Board of Directors

After being audited by Shinewing Certified Public Accountants (Special Partnership), the net profit attributable to owners of the parent company in 2020 after consolidation is CNY 2,038,999,018.13, where: the net profit achieved by the parent company is CNY2,242,060,666.99. After withdrawing the statutory reserves of CNY224,206,066.70 at a ratio of 10% of the achieved net profit of the parent company, the retained earnings is 2,017,854,600.29 . The accumulated distributable profits of parent company in 2020 is CNY16,232,090,812.89.

December 31, 2020, the company intends to distribute, based on the total capital shares of 811,165,857, the cash dividend of CNY3.80 (including tax) upon 10 shares with the total cash dividends of CNY1,828,243,025.66, and distribute the surplus undistributed profit of 189,611,574.63 after carry-over. The company didn't increase stock capital by common reserves capitalizing in 2020.

VI. Risk Declaration of Forward-looking Statements

Applicable Not applicable

The Company declares that the “forward-looking statements” of development strategies, future operation plans and so on herein do not constitute material commitment of the Company to investors, and we request investors to pay attention to investment risks. There is no obligation on the Company to update or amend any forward-looking statement therein in public for any new information, future event for other reasons; there is no responsibility on the Company and other employee or contact of the Company for any commitment statement of the future performance of the Company or any such statement.

VII. Neither the company's controlling shareholder nor any of its affiliates has misappropriated the company's funds for non-operating purposes.

No

VIII. The company did not provide external guarantees in violation of the stipulated decision-making procedures.

No

IX. Whether more than half of the directors are unable to guarantee the truthfulness, accuracy and completeness of the annual report disclosed by the company

No

X. Major Risk Warning

The Company has detailed and analyzed the possible latent risks in the operation and development of the Company and proposed risk precaution measures in the section of "Operation Discussion and Analysis" herein, and we request investors' attention.

XI. Other

Applicable Not applicable

In this report, due to rounding, the sum of the itemized values is inconsistent with the mantissa of the total count.

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Chapter I Definitions

I. Definitions

In the report, unless the context otherwise requires, the following expressions shall have the following definitions:

Definitions of Frequently-used Terms		
The Company, the Group, Company, Shandong Hi-Speed	refer to	Shandong High-speed Co., Ltd
Shandong Hi-Speed Group, Hi-Speed Group, Group Company	refer to	Shandong Hi-Speed Group Co., Ltd.
China Merchants Expressway, CMET, China Merchants Huajian	refer to	China Merchants Expressway Network & Technology Holdings Co., Ltd.
Xuyu Company	refer to	Shandong Hi-Speed Henan Xuyu Road Co., Ltd.
Weilai Company	refer to	Shandong Hi-Speed Weilai Highway Co., Ltd.
Yunguan Company	refer to	Shandong Hi-Speed Highway Operation Management Co., Ltd.
Investment Company	refer to	Shandong Hi-Speed Investment Development Co., Ltd.
Jinan Construction Company	refer to	Shandong Hi-Speed Jinan Investment Co., Ltd.
Zhangqiu Company	refer to	Shandong Hi-Speed Zhangqiu Property Development Co., Ltd.
Jidong Development Corporation	refer to	Shandong Hi-Speed Jidong Development Co., Ltd (current name) Shandong Expressway Zhangqiu Real Estate Development Co., Ltd (former name)
Industrial Corporation	refer to	Shandong Hi-Speed Industrial Development Co., Ltd.
Jitai Mining	refer to	Shandong Hi-Speed Jitai Mining Investment Co., Ltd.
Environmental Protection Science and Technology	refer to	Shandong Hi-speed Environmental Technology Co., Ltd.
Henan Development Company, Henan Company	refer to	Shandong Hi-Speed Henan Development Co., Ltd.
Hengshao Company	refer to	Hunan Hengshao Expressway Co., Ltd.
Shenzhen Company	refer to	Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.
Hesheng Company, Yantai Hesheng	refer to	Yantai Hesheng Real Estate Development Co., Ltd.
Lijin Bridge Company	refer to	Shandong Lijin Huanghe Highway and Bridge Co., Ltd.
Transport Service Company	refer to	Shandong Hi-Speed Qilu Construction Transport Administration Service Co., Ltd.
Weihai Shanghang	refer to	Weihai City Commercial Bank Co., Ltd.
Dongxing Securities	refer to	Dongxing Securities Co., Ltd.
Changying Company	refer to	Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.
Fulongma	refer to	Fujian Longma Environmental Sanitation Equipment Co., Ltd.
Wujing Company	refer to	Hubei Wujing Expressway Development Co., Ltd.
Changying Jinpeng	refer to	Qingdao Changying Jinpeng Investment Partnership (Limited Partnership)
Changying Jinhai	refer to	Jinan Changying Jinhai Investment Partnership (Limited Partnership)

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Changying Jin'an	refer to	Jinan Changying Jin'an Investment Partnership (Limited Partnership)
Changying Jincheng	refer to	Jinan Changying Jincheng Equity Investment Partnership (Limited Partnership)
Puyuan Real Estate	refer to	Jinan Puyuan Real Estate Co., Ltd.
Reconstruction and Extension of Jinan-Qingdao Expressway, Reconstruction and Extension Project of Jinan-Qingdao Expressway	refer to	Jinan-Qingdao Expressway Reconstruction and Extension Project
Beijing-Taipei Expressway Deqi Section Renovation and Expansion, Beijing-Taipei Expressway Deqi Section Renovation and Expansion Project, Beijing-Taipei Deqi Project	refer to	Reconstruction and Extension Project of Dezhou(border Between Shandong and Hebei)-Qihe Section of Beijing-Taipei Expressway
Beijing-Taipei Expressway Jitai Section Renovation and Expansion, Beijing-Taipei Expressway Jitai Section Renovation and Expansion Project, Beijing-Taipei Jitai Project	refer to	Beijing-Taipei Expressway Jinan-Taian Section Renovation and Expansion Project
Beijing-Taipei Expressway Qiji Section Renovation and Expansion, Beijing-Taipei Expressway Qiji Section Renovation and Expansion Project, Beijing-Taipei Qiji Project	refer to	Beijing-Taipei Expressway Qihe-Jinan Section Renovation and Expansion Project
Jijin Company	refer to	Jiyuan City Jijin Expressway Co., Ltd.
Logistics Group	refer to	Shandong High-speed Logistics Group Co., Ltd.
Sichuan Company	refer to	Shandong Hi-speed Sichuan Industrial Development Co., Ltd.
ShineWing	refer to	Shinewing Certified Public Accountants (Special Partnership)
Rail Transit, Rail Transit Group	refer to	Shandong Hi-speed Rail Transit Group Co., Ltd.
Construction Management Group	refer to	Shandong Hi-Speed Construction Group Co., Ltd
Luyu Company	refer to	Luzhou Southeast Expressway Development Co., Ltd.
Qilu Transportation Development Group, Qilu Jiaotong Development, Qilu Transportation	refer to	Qilu Transportation Development Group Co., Ltd
Guangdong Expressway A	refer to	Guangdong Provincial Expressway Development Co., Ltd.
Engineering consulting company	refer to	Shandong Hi-Speed Group Engineering Consulting Co., Ltd (former name), Shandong High Speed Engineering Project Management Co., Ltd;
Railway Construction Equipment Company	refer to	Shandong High Speed Railway Construction Equipment Co., Ltd.

Section II Company Profile and Major Financial Indicators

I. Company Information

Chinese Name of the Company	Shandong High-speed Co., Ltd
Abbreviation of Chinese Name	SDHS
English Name of the Company	Shandong Hi-Speed Company Limited
Abbreviation of English Name of the Company	SDHS
Legal Representatives of the Company	Sai Zhiyi

II. Contact Person and Contact Information

	Secretary of Board of Directors	Representative of Securities Affairs
Name	Sui Rongchang	Cheng Huai
Contact Address	No. 5006 Aoti Middle Road, Jinan, Shandong, P. R. C.	No. 5006 Aoti Middle Road, Jinan, Shandong, P. R. C.
Tel	0531-89260052	0531-89260052
Fax	0531-89260050	0531-89260050
E-mail	sdhs@sdecl.com.cn	sdhs@sdecl.com.cn

III. Basic Information

Registered Address of the Company	Block A, Qixing Jixiang Building, No. 29 Wenhua East Road, Jinan, Shandong, China
Postal Code of the Registered Address	250014
Office Address	No. 5006 Aoti Middle Road, Jinan, Shandong, China
Postal Code of the Office Address	250101
Company Website	http://www.sdecl.com.cn
E-mail	sdhs@sdecl.com.cn

IV. Information Disclosure and Place for Inspection

Name of Newspapers Designated for Information Disclosure	China Securities Journal, Shanghai Securities News, Securities Times
Website Designated by CSRC for Publishing Annual Reports	http://www.sse.com.cn
Place for Inspection of Annual Reports	No. 5006, Aoti Middle Road, Jinan City, Shandong Province, Shanghai Stock Exchange

V. Basic Information of the Company's Shares

Profiles of the Company's Shares				
Type of Shares	Place of Listing of the Company's Shares	Stock Abbreviation	Stock Code	Stock Abbreviation Before Change
A Share	Shanghai Stock Exchange	SDHS	600350	Shandong Infrastructure

VI. Other relevant information

Public Accountants Firm Hired by the Company (Domestic)	Name	Shinewing Certified Public Accountants (Special Partnership)
	Address	8/F, Block A, Fuhua Mansion, No.8 Chaoyangmen Beidajie, Dongcheng District, Beijing, China
	Names of Signatory Accountants	Wang Gongyong, Ma Yongteng

VII. Major Accounting Data and Financial Indicators in the Past Three Years

(I) Major Accounting Data

Unit: yuan Currency: CNY

Major Accounting Data	2020	2019		Year-on-year increase or decrease (%)	2018	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Operation revenue	11,365,164,781.15	10,414,550,126.20	7,444,768,363.45	9.13	10,936,831,091.00	6,828,798,848.13
Net profit attributable to shareholders of listed company	2,038,999,018.13	3,126,071,417.08	3,043,591,513.37	-34.77	3,012,199,696.22	2,943,890,710.90
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss	1,860,050,653.69	2,545,174,621.61	2,545,174,621.61	-26.92	1,931,718,179.55	1,931,718,179.55
Net cash flow from operating activities	4,309,087,074.78	6,463,592,100.07	5,501,050,549.13	-33.33	4,230,418,467.09	3,890,560,274.02
	End of 2020	End of 2019		Increase or Decrease as at the end of 2019 from the end of 2018 (%)	End of 2018	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Net assets attributable to shareholders of listed company	31,450,761,771.47	33,275,842,501.20	32,121,191,628.12	-5.48	28,331,011,323.05	27,261,133,946.54
Total Assets	92,917,303,523.92	88,022,860,778.69	80,359,625,413.30	5.56	75,946,049,747.57	68,596,136,422.09

(II) Major Financial Indicators

Major Financial Indicators	2020	2019		Year-on-year increase or decrease (%)	2018	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Basic earnings per share (yuan/share)	0.402	0.646	0.631	-37.77	0.626	0.612
Diluted earnings per share (yuan/share)	0.401	0.646	0.631	-37.93	0.626	0.612
Net Profit of Basic Earnings per Share after Non-recurring Items (RMB/Share)	0.365	0.527	0.527	-30.74	0.402	0.402
Weighted average return on net assets (%)	6.30	10.08	10.73	Decrease by 3.78 percentage points	10.25	10.38
Weighted Average Return on Net Assets after Non-recurring Items (%)	5.82	8.97	8.97	-3.15	7.08	7.08

Explanations for Major Accounting Data and Financial Indicators of the Company in the Past Three Years at the End of the Reporting period

Applicable Not applicable

In June 2020, the Company acquired 51% equity interest in Shandong High Speed Rail Transportation Group Co., Ltd. held by the controlling shareholder, Shandong High Speed Group, which is a business consolidation under the same control, and in accordance with the accounting standards, the Company adjusted the financial data of previous years retrospectively.

VIII. Accounting Data differences under Domestic and Foreign Accounting Standards.**(I) Differences in Net Profit and Net Assets Attributable to Shareholders of Listed Company in Financial Statements Disclosed Simultaneously in Accordance with International Accounting Standards and Chinese Accounting Standards**

Applicable Not applicable

(II) Differences in Net Profit and Net Assets Attributable to Shareholders of Listed Company in Financial Statements Disclosed Simultaneously in Accordance with Foreign Accounting Standards and Chinese Accounting Standards

Applicable Not applicable

(III) Explanations of Differences Between Foreign and Domestic Accounting Standards:

Applicable Not applicable

IX. Major Quarter Financial Data in 2020

Unit: yuan Currency: CNY

	First quarter (January - March)	Second quarter (April-June)	Third quarter (July-September)	Fourth quarter (October-December)
Operation revenue	1,625,991,650.47	2,423,648,252.04	3,535,026,547.59	3,780,498,331.05
Net profit attributable to shareholders of listed company	-284,291,651.41	541,252,167.20	1,078,962,475.33	703,076,027.01
Net profit attributable to shareholders of listed companies after non-recurring items	-336,655,518.33	476,047,352.60	1,070,149,241.61	650,509,577.81

Net cash flow from operating activities	99,945,925.10	1,550,382,369.88	1,668,238,174.56	990,520,605.24
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Explanations of differences between quarterly data and data disclosed in regular reports

√ Applicable □ Not applicable

The difference in the first quarter is mainly caused by the retroactive adjustment of the consolidation of railways under the same control.

X. Items and Amounts of Non-recurring Profit or Loss

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Non-recurring Items and Amounts	Amount in 2020	Annotation (If applicable)	Amount in 2019	Amount in 2018
Profit or loss on disposal of non-current assets	-18,996,597.72	Mainly arising from disposal of fixed assets	484,378,503.37	1,701,267,641.00
Tax return or reduction approved beyond authority or without formal approval documents or happening occasionally				
Government subsidies included in the current profit and loss, except for those that are closely related to the Company's normal business operations, and are in line with the national policies, and are continuously enjoyed based on a certain quota or ration in accordance with the standards	78,000,402.78	Mainly for construction compensation and various incentive grants	29,188,375.13	24,980,680.30
Fund occupation fee charged to non-financial enterprises included in current profit and loss.			24,963,665.49	
When the investment cost of acquisition of subsidiaries, joint ventures or partnership enterprises of the Company is less than the gains from the fair value of the net identifiable assets of the invested organizations, the Company shall enjoy at the time of investment.				
Profit or loss from non-monetary assets exchange				
Profit or loss from entrusted assets investment or management				
Multiple provisions for impairment due to force majeure, e.g.: natural disasters				
Profit or loss from debt restructuring				
Restructuring expenses, such as employee relocating compensation and integration charges				
Profit or loss from the excess over				

fair value in transactions where transaction prices are obviously unfair				
Net current profit or loss of subsidiaries generated from business combination under common control from the beginning of a period to the combining date	181,832,760.37	Due to the merger of the Rail Transit	161,725,301.39	403,725,014.48
Profit or loss of contingencies not related to normal operations				-597,800.00
In addition to the effective hedging business related to the Company's normal business operations, the gains and losses from fair value changes generated by holding trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, and investment incomes obtained from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investment			6,615,000.00	48,259,154.25
Reversal of provisions for impairment for receivables subject to separate impairment test and contract assets			109,439,615.28	
Profit or loss from external entrusted loans				
Profit or loss generated from fair value change of investment real estate properties under subsequent measurement at fair value				
Influence on current profit or loss from one-off adjustment in accordance with tax and accounting laws and regulations, etc.				
Income of trustee fee from commission management				
Other non-operating revenues and expenses except above	62,349,030.87	Mainly as a result of road compensation income and interest compensation received from Shanghai Zeta	23,993,867.28	23,665,088.86
Other profit or loss items in line with definition of non-recurring profit or loss				
Affected amount of minority shareholders' equity	-100,812,333.81		-76,894,163.24	-1,000,908,292.32
Affected amount of income tax	-23,424,898.05		-	-119,909,969.90

			182,513,369.23	
Total	178,948,364.44		580,896,795.47	1,080,481,516.67

XI.Items Measured at Fair Value

√ Applicable □ Not applicable

Unit: Ten thousand yuan Currency: CNY

Project Name	Beginning balance	Ending balance	Current Change	Influence Sum to Current Profit
Evergrande Real Estate Group Co., Ltd.	500,000.00	0		
Yike Tower Investment Project	56,389.32	56,389.32		
Specific assets support plan for South Cement Company Limited	3,570.93	3,570.93		
Specific assets support plan for Chengtay Lease	6,833.19	0		
Project of Qingdao Wudaokou New Energy Vehicle Industry Fund	100,000.00	0		
Shandong Hi-speed Culture Media Co., Ltd.	1,761.47	1,761.47		
Shandong Hi-Speed Greentown Laiwu Xueye Lake Development Co., Ltd.	518.29	0	-518.29	
Shandong Weilai High Speed Railway Co., Ltd.	3,162.68	3,162.68		
Shandong Railway Investment Holding Group Co., Ltd.	30,000.00	30,000.00		
BOCOM Schrodgers-Champion Rental Asset-Backed Special Plan		3,787.92		
Receivables financing	10,854.74	15,000.00		
Total	713,090.62	113,672.32	-518.29	

XII.Data Abstract

√ Applicable □ Not applicable

Toll Income and Throughout of Road Sections Unit: Hundred Million Yuan or Ten Thousand Vehicles

Name of Road Section	2016		2017		2018		2019		2020	
	Toll	Traffic Volume	Toll	Traffic Volume	Toll	Traffic Volume	Toll	Traffic Volume	Toll	Traffic Volume
Jinan-Qingdao Expressway	27.07	3,670	24.01	3,664	12.3	2,568	19.89	3,162	29.68	4,613
Relevant sections of Beijing-Taibei Expressway	19.26	4,657	19.08	5,012	19.3	4,692	17.67	4,709	8.53	3,052
Jinan-Laiwu High-speed Railway	2.91	648	4.28	782	5.23	977	4.55	1,193	3.8	1,400
Tai'an-Qufu Road	0.17	285	0.25	340	0.26	362	0.3	317	0.25	585
Xuchang-Yuzhou Expressway	1.22	262	1.73	337	2.08	399	1.98	398	1.37	366
Weihai-Rushan Expressway	1.21	503	1.3	564	1.36	594	1.4	601	1.1	671
Jinan Yellow River Bridge	0.17	135	0.13	88	-	-	-	-	-	-
Jinan Yellow River Second Bridge	4.36	-	4.78	-	5.03	-	5.09	-	2.83	-
Binzhou Yellow River Bridge	0.09	81	0.06	56	-	-	-	-	-	-
Pingyin Yellow River Bridge	1	433	0.78	362	-	-	-	-	-	-

Weifang-Laiyang Expressway	2.83	553	2.98	628	2.66	631	2.96	698	2.7	644
Hengyang-Shaoyang Expressway	2.02	253	2.04	246	2.18	320	2.23	283	1.81	253
Lijin Yellow River Bridge	1	690	1.16	729	1.24	772	0.65	479	0.43	471
Henan Jiyuan-Jincheng Expressway	-	-	-	-	1.13	108	2.69	278	1.3	92
Hubei Wuhan-Jingmen Expressway	-	-	-	-	8.79	808	9.71	948	7.12	752
Total	63.31	12,170	62.58	12,808	61.56	12,231	69.12	13,066	60.92	12,899

Note: 1. in order to maintain data comparability, the Company adjusted the traffic statistics caliber to Taiqu Road and Lijin Yellow River Highway Bridge as the total entrance and exit traffic, and other road sections as the exit traffic, and adjusted the previous data; toll revenue is tax-included. 2. The Company's business tax has been changed to value-added tax since May 2016. As the value-added tax is a tax included in price, the toll income in the profit statement is the net amount after deducting VAT, and the toll income in the foregoing table is amount actually received, and they are different from each other; 3. Consolidated statements have been applied for Jincheng-Jiyuan Expressway since September, 2018, so only data from September to December are indicated herein for 2018. 4. According to the notice of the Ministry of Transport, from February 17 00:00, 2020 to May 6 00:00, Toll roads across the country pass free of charge. The free policy had been implemented for a total of 79 days, and this 2020 passage table includes 79 days of free passage.

Section III Business Summary of the Company

I. Explanations of Principal Business, Operation Mode and Industry Situation during the Report Period

The Company was founded in 1999 with the registered capital of 4.811 billion Yuan and went public on March, 2002 in Shanghai Stock Exchange. The Company is mainly engaged in investment operation of transportation infrastructures, and equity investment in industries relating to the expressway industry and value chains, finance, environmental protection and other fields.

At present, the operation income and profit of the Company are mainly from two business modules of toll road and bridge operation, and investment operation.

1. Toll road and bridge operation

As the core business, toll road and bridge operation is always the major revenue source of the Company. The Company obtains operational expressway assets through investment construction and acquisition, and operation income by serving the passing vehicles and charging tolls in line with the government charge standards. At the same time, by virtue of its relevant management experience, the Company accepts the commission to manage expressway assets owned by other enterprises and provides them with superior-quality operation management service. At of now, the total mileage of road and bridge assets under the operation management of the Company is 2,575 kilometers, including 1,314 kilometers owned by the Company and 1,261 kilometers possessed by Shandong Hi-Speed Group and under its commissioned management, making the Company the public road and bridge company with the longest mileage in the industry nationwide.

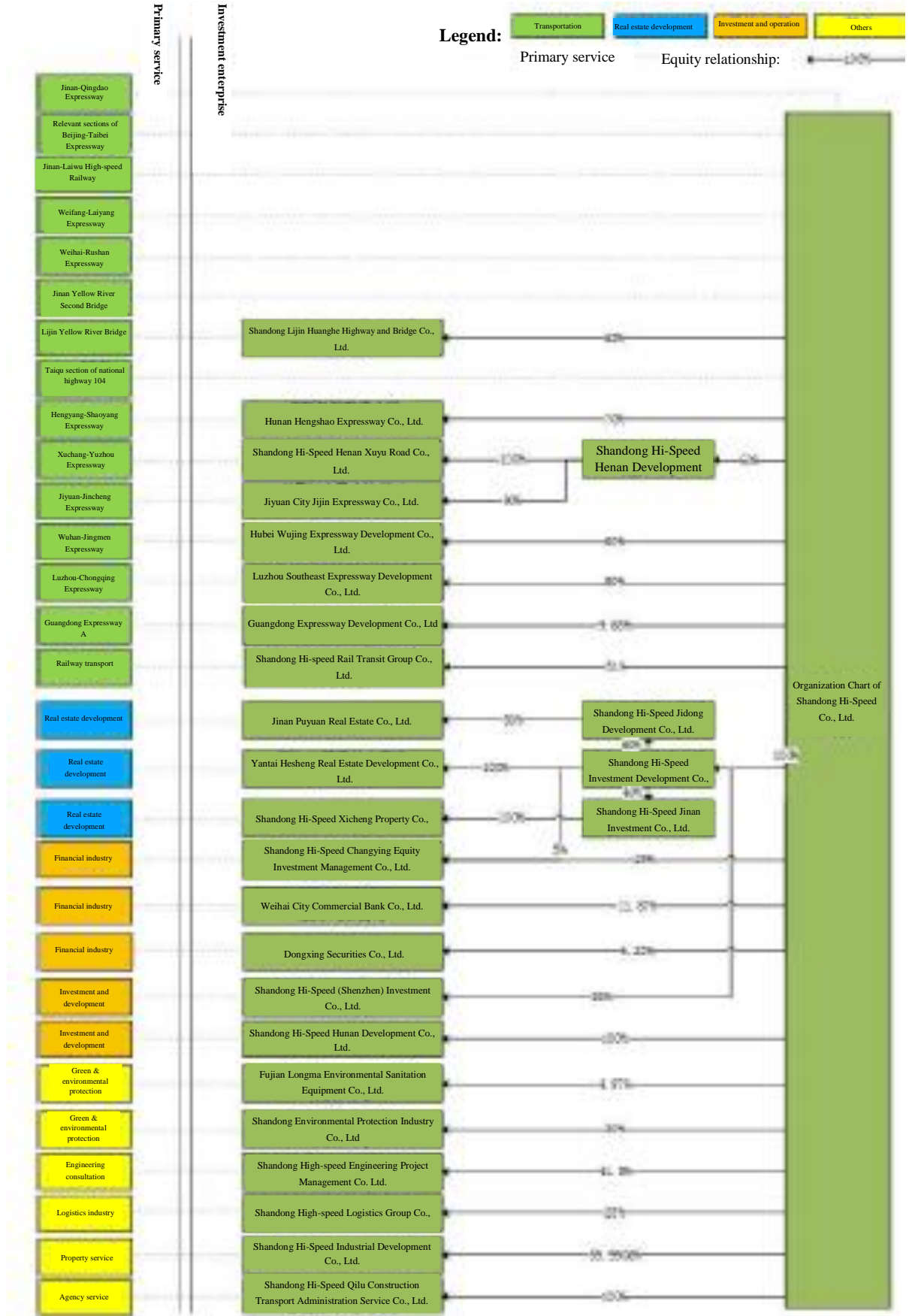
2. Module of Investment Operation

China's expressway toll collection period is generally not longer than 30 years, and the stable cash income within the period will become unsustainable as such a period expires; to realize its long-term sustainable development, the Company actively seeks for investment opportunities matching with the main business of expressway.

With respect to equity investment, the Company actively expanded its scale in the expressway assets by horizontal M&A of principal expressway projects to lay its industry status, and also energizes the downstream industries and zealously cultivates emerging industries by giving full play to its resource and background advantages and making vertical investment into industry chains to achieve its goal of long-term and sustainable development.

In connection with value investment, the Company actively seeks for financial investment project "with little investment but quick result" through exerting its advantage of cash flow in the expressway industry, so as to realize its investment goal of "supplementing long-term investment projects with short-term ones" to make up the deficiency of long investment payoff period of the expressway industry by obtaining short-term financial investment income.

As of March 31, 2021, the Company's investment enterprises (including enterprise abbreviation) and business structure are as follows:



Information of Toll Roads (As of March 31, 2021)

S/N	Name of Road Section	Road Sections	Equity of the Company	Approved Expiry Date of Toll Collection	Toll Mileage (Kilometer)	Number of Lanes	Status
1	Jinan-Qingdao Expressway	Jinan-Qingdao Expressway (Section in Shandong of Qingdao-Yinchuan Expressway)	100%	2044.12	318.5	8	In operation
2	Relevant sections of Beijing-Taibei Expressway	Phase I of Dezhou-Qihe Section of Beijing-Fuzhou Expressway	100%	2022.11.17	89.034	4	Reconstruction and expansion
3		Phase II of Dezhou-Qihe Section of Beijing-Fuzhou Expressway	100%	2025.11.30	2.25	4	Reconstruction and expansion
4		Jinan Yellow River Second Bridge	100%	2032.04.16	5.75	6	In operation
5		Qihe-Jinan Section of Beijing-Fuzhou Expressway	100%	2024.10.31	21.971	6	In operation
6		Jinan-Qingdao Connection Line of Beijing-Fuzhou Expressway	100%	2024.10.31	16.376	4	In operation
7		Jinan-Tai'an Section of Beijing-Fuzhou Expressway	100%	2024.10.31	59.546	6	Reconstruction and expansion
8		Jinan-Laiwu High-speed Railway	Jinan-Laiwu Expressway (side road) of Beijing-Shanghai Expressway	100%	2034.10.21	76.048	4
9	Weifang-Laiyang Expressway	Weifang-Laiyang Expressway	100%	2024.07.31	140.637	4	In operation
10	Weihai-Rushan Expressway	Weihai-Rushan Expressway	100%	2032.12.19	70.55	4	In operation
11	Tai'an-Qufu Road	Tai'an-Qufu First-class Highway of State Road G104	100%	2025.11.15	64.166	4	In operation
12	Lijin Yellow River Bridge	Lijin Yellow River Bridge	65%	2029.09.25	1.35	4	In operation
13	Xuchang-Yuzhou Expressway	Xuchang-Yuzhou Expressway in Henan	60%	2036.8.28	39.07	4	In operation
14	Jiyuan-Jincheng Expressway	Jiyuan-Jincheng (Provincial Border) Section of Erenhot-Guangzhou Expressway	54%	2038.9.9	20.56	4	In operation
15	Hengyang-Shaoyang	Heyang-Shaoyang Expressway in	60%	2040.12.29	132.059	4	In operation

	Expressway	Hunan					
16	Wuhan-Jingmen Expressway	Wuhan-Jingmen Expressway in Hubei	60%	2040.5	183.21	4	In operation
17	Luzhou-Chongqing Expressway	Sichuan Chengdu-Chongqing Ring Road Hegiang (Chongqi-Sichuan border) to Naxi section expressway	80%	6/27/2043	73.15	4	In operation
Total					1314.227		

II. Description of Major Changes on Main Assets of the Company during the Reporting Period

Applicable Not applicable

III. Analysis of Core Competitiveness during the Reporting Period

Applicable Not applicable

(I) Natural geographical advantages

Shandong, located in east of China and downstream of the Yellow River, and at the eastern junction of the Silk Road Economic Belt and 21st-Century Maritime Silk Road, and at the intersection of Northeast Economic Rim and the Bohai Bay Economic Rim, is developed economically and rich in cultural resources, and is one of China's major coastal provinces. In 2020, Shandong's economy showed a full recovery, rebound to good, the main indexes better than the national average, better than expected. Among them, the unified accounting results of the gross regional production show that the annual gross production in 2020 is RMB 7,312,900,000,000.00, 3.6% higher than the previous year in comparable prices.

(II) Superior road and bridge assets

The company's core road and bridge assets are all the pivotal trunk lines of Shandong province's expressway network and also an important part of the national expressway network, with good quality road assets, perfect road network and gradually emerging synergistic benefits, which provide the company with sufficient cash flow and provide a reliable guarantee for the company's sustainable and healthy development.

(III) Excellent management team

The Jinan-Qingdao Expressway operated by the Company is the first expressway in Shandong Province; through years of accumulation, the Company has trained and formed a team of high-quality expressway operation and management talents with reasonable age structure and great experience; from construction of Jinan-Qingdao Expressway and Jinan-Laiwu Expressway to the reconstruction and expansion of Jinan-Qingdao Expressway and Beijing-Taibei Expressway, the Company has trained a professional construction management team with great experience in construction management; in recent years, the Company has gradually trained a professional capital operation team through a powerful combination with its capital market partners, and thus improved the Company's strategic research and investment development capabilities.

(IV) High-class investment and financing platform

As the only road and bridge operation A-share public company within the region, the Company has "AAA"-class credit rating and good financing ability; at present, the Company has built a diversified investment and financing platform which integrates functions of securities firms, banks and fund management companies, and is a solid foundation for the Company to conduct investment operation of transportation infrastructures and enter the related industries of expressway industry and value chains.

(V) The merger and reorganization of the controlling shareholders of the Company has produced synergy.

Shandong Hi-Speed Group, the controlling shareholder of the Company, has completed the merger and reorganization with Qilu Transportation Development Group, which will produce better synergy for the development of the Company. After the merger and reorganization, the scale of high-quality highway property of Shandong Hi-Speed Group has been further expanded, and its supporting and synergistic effects on the Company's development have been further strengthened.

Chapter IV Operation Discussion and Analysis

I. Operation Discussion and Analysis

the Company's income and profit mainly come from road and bridge operation and investment operation, and the contribution of upstream and downstream investment in the Company's expressway industry chain to the Company's profit is gradually emerging. In 2020, the Company achieved annual operating income of RMB 11.365 billion, including toll revenue of RMB 5.956 billion, railway transportation and logistics income of RMB 2.495 billion, commodity sales income of RMB 1.792 billion, net profit attributable to the parent company of RMB 2.039 billion and return on investment of RMB 1.472 billion.

(I) Road and bridge operation

1. Industry Development Analysis

(1) China's highway industry has a wide range of downstream demand and strong ability to resist economic cycle fluctuations. The highway industry, as a whole, is showing a steady development trend. As an important part of China's transportation infrastructure, highway plays an irreplaceable role in meeting the short-distance transportation need of materials and passengers, although the massive operation of high-speed rail has brought a certain impact on road passenger transport, in terms of passenger and freight transport volume, highways still occupy a dominant position in China's comprehensive transportation system, and the rapid development of modern logistics and express delivery industry will also support the subsequent highway freight volume. According to the Statistical Bulletin of National Economic and Social Development in 2020 issued by the National Bureau of Statistics, road transport bears 71.25% of passenger traffic and 73.93% of cargo traffic in China. China had retained 280.87 million civilian automobiles (including 7.48 million three-wheeled vehicles and low-speed trucks) by the end of 2020, increased by 19.37 million year on year, and retained 243.93 million private cars, increased by 17.58 million. The number of civilian cars was 156.4 million, increased by 9.96 million, and the number of private cars was 146.74 million, increased by 9.73 million. With the development of national economy, the number of urban tourists is growing and with the rising of travel rate, and the trend of traffic volume growth will continue.

(2) The reconstruction and expansion of core highway property will usher in secondary development opportunities for expressway enterprises. According to the Statistical Bulletin of National Toll Road in 2019, the mileage of existing expressways in China had totaled 142,800 kilometers by the end of 2019, of which the core was those under the National Expressway Network plan, namely, "7918" network, including 7 Beijing-based radial lines, 9 vertical routes and 18 horizontal routes, with a total scale of about 85,000 kilometers, including 68,000 kilometers of main lines and about 17,000 kilometers of other routes such as regional loop lines and tie lines.

Unit: Kilometers

Beijing-based radial line			North-south longitudinal line			East-west horizontal line		
S/N	Origin-destination	Mileage	S/N	Origin-destination	Mileage	S/N	Origin-destination	Mileage
1	Beijing-Shanghai	1245	1	Hegang-Dalian	1390	1	Suifenhe-Manzhouli	1520
2	BeiBeijing-Taibeipei	2030	2	Shenyang-Haikou	3710	2	Hunchun-Ulanhot	885
3	Beijing-Hong Kong and Macao	2285	3	Changchun-Shenzhen	3580	3	Dandong-Xilinhot	960
4	Beijing-Kunming	2865	4	Jinan-Guangzhou	2110	4	Rongcheng-Wuhai	1820
5	Beijing-Lhasa	3710	5	Daqing-Guangzhou	3550	5	Qingdao-Yinchuan	1600
6	Beijing-Urumqi	2540	6	Erenhot-Guangzhou	2685	6	Qingdao-Lanzhou	1795
7	Beijing-Harbin	1280	7	Baotou-Maoming	3130	7	Lianyungang-Horgos	4280
			8	Lanzhou-Haikou	2570	8	Nanjing-Luoyang	710
			9	Chongqing-Kunming	838	9	Shanghai-Xi'an	1490
						10	Shanghai-Chengdu	1960
						11	Shanghai-Chongqing	1900

					12	Hangzhou-Ruili	3405
					13	Shanghai-Kunming	2370
					14	Fuzhou-Yinchuan	2485
					15	Quanzhou-Nanning	1635
					16	Xiamen-Chengdu	2295
					17	Shantou-Kunming	1710
					18	Guangzhou-Kunming	1610

In 1988, China built the first expressway, from Shanghai to Jiading, called Hu-Jia Expressway; in September 1990, Shenyang-Dalian Expressway was opened to traffic; in 1993, Beijing-Tianjin-Tanggu Expressway was opened to traffic; in late 1993, Jinan-Qingdao Expressway was opened to traffic; in December 1995, Chengdu-Chongqing Expressway was opened to traffic; in September 1996, Shanghai-Nanjing Expressway was opened to traffic; in 1998, mileage of expressways in China was 8,733 kilometers, ranking fourth in the world; in 1999, mileage of expressways in China exceeded 10,000 kilometers, close to the third place in the world; in 2000, Beijing-Shenyang Expressway was opened to traffic; in late 2000, mileage of expressways opened to traffic in China was 16,000 kilometers, ranking third in the world. After 20+ years of operation, with the development of the national economy, the traffic volume of the expressway built in the end of last century and the beginning of this century has saturated or even over-saturated and the end of toll collection has approached. The next few years will witness the concentrated reconstruction and expansion of expressways. Reconstructed and expanded road sections occupy an advantageous location. Through years of accumulation, the industrial layout surrounding their construction has been formed and stabilized. There is no need to go through a period of traffic cultivation for new Highway Property from scratch, and high-load operation can be realized once they are opened for traffic, so the return on investment on reconstruction and expansion projects can be maximized, and expressway enterprises will usher in secondary development opportunities.

2. Business Performance and Analysis

In 2020, the Company's road and bridge operation has steadily improved, first, on the principle of "no parking, no check, no charge, priority passage, free toll but service available", 56.51 million vehicles were released free of charge and RMB 2.5 billion of toll was reduced or exempted. In particular, Hubei Wujing Company has won high praise from Wuhan Municipal CPC Committee and Municipal Government, demonstrating the responsibility taken by state-owned enterprises and the expressway corporation; secondly, cancellation of provincial toll stations and transition of charging modes were completed, 1015 related equipment problems solved and the ETC passage rate stabilized over 99%. thirdly, adhering to the operation concept that "being impeded is benefit", we integrated the 96659 service hotline, introduced the vehicle-mounted visual dispatching command system, implemented the brand requirement of "2030" obstacle clearance and rescue service, and completed the task to keep safe and unimpeded during important periods such as National Day and major events. The number of toll station delays and the average daily delay time were reduced by 94% and 97% respectively; fourthly, we built an "online + offline" comprehensive marketing system, improved the system of auditing and fighting against dodging toll under the new situation, successfully piloted the green code passage of Jinan-Qingdao Expressway, and the "empty car lottery" attracted nearly 60,000 registered customers, over-fulfilled the annual toll collection task.

In 2020, the Company realized toll revenue (tax-inclusive) of RMB 6.092 billion, and the average daily toll revenue (tax-inclusive) of RMB 21.2245 million, increased by 12.08% year-on-year. The basic operating data of each road section during the reporting period are as follows:

Unit: Ten thousand yuan

S/N	Name of Road Section	Average Daily in 2019	Average Daily in 2020	Year on year
1	Jinan-Qingdao Expressway	544.91	1034.03	89.76%
2	Relevant sections of Beijing-Taibei Expressway	484.03	297.09	-38.62%
3	Jinan-Laiwu High-speed Railway	124.68	132.49	6.26%
4	Tai'an-Qufu Section of Beijing-Fuzhou Expressway	8.13	8.87	9.06%

5	Xuchang-Yuzhou Expressway	54.23	47.78	-11.90%
6	Weihai-Rushan Expressway	38.42	38.18	-0.64%
7	Jinan Yellow River Second Bridge	139.46	98.64	-29.27%
8	Weifang-Laiyang Expressway	81.04	94.00	16.00%
9	Hengyang-Shaoyang Expressway	61.06	63.03	3.24%
10	Lijin Yellow River Bridge	17.92	14.85	-17.15%
11	Henan Jiyuan-Jincheng Expressway	73.73	45.35	-38.28%
12	Hubei Wuhan-Jingmen Expressway	266.11	248.15	-6.75%
	Total	1893.71	2122.45	12.08%

Note: ① 1. There were 365 charging days in 2019 and 366-79=287 days in 2020. ② The collection rate with simple assessed value-added tax of vehicle toll on expressways is 3%; the VAT rate for toll of primary highways, secondary highways, bridges and gates is 5%. ③ The daily average in 2019 and 2020 in this table are the original data converted from RMB to RMB 10,000 with two decimal places kept. The year-on-year data are calculated from the original.

(1) The average daily toll revenue of Jinan-Qingdao Expressway was RMB 10,340,300, increased by 89.76% year-on-year, which was mainly due to the annual traffic volume increase of 45.89% after the reconstruction and expansion project of Jinan-Qingdao Expressway was opened to traffic (including the free passage period of epidemic situation), the adjustment of toll price and the low toll revenue base of speed limit during the reconstruction and expansion period in 2019.

(2) The average daily toll revenue of relevant sections of Beijing-Taibei Expressway was RMB 2,970,900, decreased by 38.62% year-on-year, mainly due to the centralized construction period of reconstruction and expansion of Dezhou-Qihe section of Beijing-Taibei Expressway in 2020, with the speed limit of 80km per hour and five-axle and six-axle trucks on the road.

(3) The daily average toll revenue of Xuchang-Yuzhou Expressway was RMB 477,800, a year-on-year decrease of 11.90%. The main reason was that Xuchang-Yuzhou Expressway freight vehicles were mainly used for short-distance transportation, but the switching of toll mode in 2020 caused some vehicles to move to local areas.

(4) The average daily toll revenue of Jinan Yellow River Second Bridge was RMB 986,400 million, decreased by 29.27% year-on-year for the main reason that Jinan Yellow River Second Bridge was a bridge of Beijing-Taibei Expressway and 2020 was the centralized construction period of Dezhou-Qihe Section of Beijing-Taibei Expressway, with 80km/h speed limit and five-axle and six-axle trucks.

(5) Toll revenue of Lijin Yellow River Highway Bridge was RMB 148,500, decreased by 17.15% year on year for the main reason that some trucks changed to other routes due to changes in road conditions after the diversion of National Highway 316.

(6) The average daily toll revenue of Henan Ji-Jin Expressway was RMB 453,500, decreased by 38.50% year-on-year, mainly due to the opening of parallel section.

3. Reconstruction and Expansion of Core Highway Property

(1) The Beijing-Taibei-De-Qi Project was planned and commenced early, with an increase of 50% in investment and an increase in personnel and equipment input. Taking the labor competition under the theme of epidemic control, assurance of time schedule for completion and contribution and the CPC organization building activities under the theme of "Guiding by Party Flag" as carriers, we further promoted the creation of high-quality works, completed the annual construction task 2 months ahead of schedule, and won the "Recognition Award in the National Highway Construction Labor and Skill Competition".

(2) The Beijing-Taibei-Ji-Tai Project overcame the impact of the epidemic, and four special projects were completed ahead of schedule. It took only seven months to obtain the approval of land use planning, and the conditions for commencement of construction were met one month ahead of schedule, completing the investment task of RMB 460 million.

(3)The Jinan-Qingdao Project achieved outstanding results, successfully passed the acceptance inspection of water and soil conservation and environmental protection, won the "Long Life Pavement Award" of the China Highway Society and the "Outstanding Project Award" of the International Road Federation, and 10 scientific researches reached the international state-of-art level; together with "Beidou-3 Satellite System Project" and "First Homemade Aircraft Carrier Project", won the "National Quality Award and Outstanding Project Award" and became the only selected project in China's transportation field.

(II) Investment and Operation

In 2020, the Company made steady progress in investment and operation, and effectively maintained the stable operating performance of the Company under the influence of the toll-free policy during the epidemic and the decline in toll revenue, first, the main business has completed the acquisition of A9.68% equity of Guangdong Expressway; secondly, in capital operation, 11 fund projects have been operated cumulatively. In 2020, the Company realized return on investment of RMB1.472 billion, representing about 50% of operating profit. The composition of return on investment is as follows:

Unit: Ten thousand yuan

Item	Accrual in 2015	Percentage
Long-term equity investment income calculated by the equity method	57033.97	38.74%
Where: Weihai Shanghang	19705.88	34.55%
Dongxing Securities	7293.17	12.79%
Guangdong Expressway A	6870.95	12.05%
Fulongma	2570.63	4.51%
Investment income of trading financial assets during the holding period.	49337.82	33.51%
Where: Evergrande Real Estate Group Co., Ltd.	43978.66	89.14%
Yike Tower Investment Project	4468.35	9.06%
Interest income of debt investment during holding period	39934.20	27.12%
Where: Weifang Shangao new and old kinetic energy conversion fund	20944.63	40.46%
Debt Investment under Changying Jin'an	7326.60	37.16%
Debt Investment under Changying Jin Peng	4777.50	9.08%
BOE Project	3808.29	7.36%
Investment income from disposal of long-term equity	931.64	0.63%
Including: equity transfer income of the engineering consulting company	873.70	93.78%
Total return on investment	147237.63	100.00%

1. The long-term equity investment accounted with the equity method is mainly the return on investment contributed by the Company's participation in Weihai Commercial Bank, Guangdong Expressway A, Dongxing Securities and FULONGMA.

2. The return on investment of transactional financial assets during the holding period is mainly contributed by the Company to the equity dividend of Evergrande Real Estate Group Co., Ltd.

3. For details of the return on investment contributed by the interest income from debt investment during the holding period, please refer to Note 7 and Item Note-14 to Consolidated Financial Statement: Debt Investment.

4. The return on investment from disposal of long-term equity is mainly the Company's transfer of 7.5% equity of the Engineering Consulting Company.

(III) Information of Rail Transit Group

In the first half of 2020, the Company acquired 51% of the shares of Shandong High-speed Rail Transit Group to realize the expansion to the freight rail business. The advantages of expressways and railways complemented each other, the synergy effect initially emerged and thus improved the Company's sustainable

profitability and risk tolerance. In 2020, Shandong Hi-speed Rail Transit Group Co., Ltd. achieved operating revenue of RMB 4.345 billion; net profit attributable to parent company was RMB 325 million, a year-on-year increase of 101%. Including:

1. The railway freight sector realized operating revenue of RMB 2,841,135,400, a year-on-year increase of 19.29%; realized a total profit of RMB 273,766,600, a year-on-year increase of 96.24%; completed transport volume of 68.64 million tons, a year-on-year increase of 7.8%.
2. The equipment manufacturing sector is mainly reliant upon Railway Construction Equipment Company, a subsidiary of Rail Transit Group. The revenue of Railway Construction Equipment Company in 2020 was RMB 693.4806 million, with a year-on-year increase of 11.10%; the total profit was RMB 127,928,100, increased by 54.58% year-on-year.

II. Major Operation Details during the Report Period

In 2020, the Company's annual operating revenue reached RMB 11.365 billion, including toll revenue of RMB 5.956 billion, railway transportation revenue of RMB 2.495 billion, commodity sales revenue of RMB 1.792 billion, net profit attributable to the parent company of RMB 2.039 billion and investment revenue of RMB 1.472 billion.

(I) Analysis of Principal Businesses

1. Analysis of changes in relevant items in the profit statement and cash flow statement

Unit: yuan Currency: CNY

Subject	Current-period Amount	Number in the corresponding period of the previous year	Change proportion (%)
Operation revenue	11,365,164,781.15	10,414,550,126.20	9.13
Operating cost	7,560,477,000.27	5,764,173,616.16	31.16
Selling expenses	10,629,082.64	16,982,565.44	-37.41
Management expenses	537,241,518.01	578,995,480.68	-7.21
Research and development (R&D) expenses	67,632,819.17	40,248,725.26	68.04
Financial expenses	1,608,808,138.98	1,142,084,330.28	40.87
Net cash flow from operating activities	4,309,087,074.78	6,463,592,100.07	-33.33
Net cash flow from investment activities	-4,651,802,759.57	-9,992,889,768.69	-
Net cash flow from financing activities	762,623,383.74	3,613,805,572.66	-78.90

2. Income and cost analysis

√ Applicable □ Not applicable

The change in operating cost is mainly due to the increase in depreciation and amortization after the Company's capital transfer from Jinan-Qingdao Expressway;

The change in sales expense is mainly due to the decrease in transportation expenses and payroll included in sales expenses;

The change in research and development expenses are mainly due to the Company's increased investment in research and development;

The change in financial expenses is mainly due to the expending of interest expenditure related to the capital transfer of Jinan-Qingdao Expressway;

The main reason for the change in net cash flow from operating activities was the year-on-year decrease in toll revenue;

The reason for the change in net cash flow from investment activities was mainly due to the year-on-year decrease in expenditures for reconstruction and expansion projects;

The reason for the change in the net cash flow from financing activities was mainly due to equity transfer payments for the consolidated rail transit.

During the reporting period, the Company earned operating income of RMB 11,365,164,800, increased by 9.13% year-on-year, as affected by the toll-free policy and the epidemic situation, the Company's highway toll revenue declined. After the Rail Transit Group was included in the merger scope, income from railway transportation business increased rapidly.

(1) Analysis of Operations by Industry, Product or Region

Unit: yuan Currency: CNY

Principal operations by industry						
By Sector	Operation revenue	Operating cost	Gross profit margin (%)	Year-on-year increase or decrease in operating revenue (%)	Year-on-year increase or decrease in operating costs (%)	Year-on-year increase or decrease in gross profit margin (%)
Expressway toll	5,955,762,447.62	3,217,092,081.49	45.98	-11.49	10.84	Decrease by 10.88 percentage points
Revenue from railway transportation	2,494,571,703.63	1,960,753,618.87	21.40	21.67	17.48	Increase by 2.80 percentage points
Revenue from sales of goods	1,791,583,327.91	1,474,542,403.13	17.70	123.10	156.11	Decrease by 10.61 percentage points
Revenue from project construction	224,352,596.01	198,432,758.23	11.55	331.80	875.53	Decrease by 49.30 percentage points
Revenue from expressway trusteeship	605,713,032.50	560,513,537.11	7.46	18.32	13.59	Increase by 3.85 percentage points
Others	110,940,835.56	109,246,356.37	1.53	29.67	67.71	Decrease by 22.34 percentage points
Principal operations by product						
By product	Operation revenue	Operating cost	Gross profit margin (%)	Year-on-year increase or decrease in operating revenue (%)	Year-on-year increase or decrease in operating costs (%)	Year-on-year increase or decrease in gross profit margin (%)
Principal operations by region						
By region	Operation revenue	Operating cost	Gross profit margin (%)	Year-on-year increase or decrease in operating revenue (%)	Year-on-year increase or decrease in operating costs (%)	Year-on-year increase or decrease in gross profit margin (%)
Shandong	4,829,952,422.22	2,577,352,852.82	46.64	-5.29	16.08	Decrease by 9.82 percentage points
Henan	258,736,001.79	136,713,829.82	47.16	-42.89	-10.72	Decrease by 19.04 percentage points
Hunan	175,614,950.41	161,461,293.41	8.06	-18.82	-3.19	Decrease by 14.84 percentage points

						points
Hubei	691,459,073.20	341,564,105.44	50.60	-27.93	-5.67	Decrease by 11.66 percentage points
Total	5,955,762,447.62	3,217,092,081.49	45.98	-11.49	10.84	Decrease by 10.88 percentage points

Explanations of principal operations by industry, product or region

1. Sales revenue, operating revenue and operating costs increased significantly year-on-year, but the gross profit rate decreased year-on-year, mainly due to the increase of commercial business with operating income recognized by the Company by the full method;

2. The operating revenue and operating cost of the Company's engineering construction increased significantly year-on-year, while the gross profit rate decreased year-on-year, mainly due to the changes in the construction projects of Shandong Hi-speed Rail Transit Group Co., Ltd.

3. The toll revenue and gross profit rate of expressways in different regions decreased year on year, mainly due to toll free policy and epidemic situation.

(2). Analysis statement of production and sales

Applicable Not applicable

(3). Cost analysis statement

Unit: Ten thousand yuan

Operations by industry							
By Sector	Cost structure items	Amount in current period	Percentile (%) of total cost of the current period	Amount of the corresponding period in the previous year	Percentile (%) of total cost for the corresponding period in the previous year	Year-on-year change proportion of amount (%)	Explanations
Toll road	Payroll	65,565.90	8.67	68,878.52	11.95	-4.81	
Toll road	Depreciation and amortization	198,087.31	26.20	157,363.27	27.30	25.88	Mainly due to the increase in amortization of Jinan-Qingdao Expressway
Toll road	Specific maintenance cost	52,965.18	7.01	59,594.91	10.34	-11.12	
Toll road	Other Cost	5,090.82	0.67	4,397.26	0.76	15.77	
	Subtotal	321,709.21	42.55	290,233.96	50.35	10.84	

Explanation of other details of cost analysis

None.

(4). Profiles of Major sales customers and suppliers

Applicable Not applicable

The sales amount of the top five customers is RMB 1,210,241,700, representing 10.65% of the total annual sales amount; of the sales amount of the top five customers, the sales amount of related parties were RMB 688.0137 million, representing 6.05% of the total annual sales amount.

The purchase amount of the top five suppliers is RMB 2,823,879,900, representing 21.53% of the annual total, of the purchase amount of the top five suppliers, the purchase amount from related parties is RMB 2,257,577,800, representing 17.21% of the annual total.

Other statements

None.

3. Cost

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Subject	Current-period Amount	Number in the corresponding period of the previous year	Change proportion (%)	Explanations
Selling expenses	10,629,082.64	16,982,565.44	-37.41	The change is mainly due to the decrease in transportation expenses and payroll included in sales expenses;
Research and development (R&D) expenses	67,632,819.17	40,248,725.26	68.04	The change is mainly due to the Company's increased investment in research and development;
Financial expenses	1,608,808,138.98	1,142,084,330.28	40.87	The change is mainly due to the expending of interest expenditure related to the capital transfer of Jinan-Qingdao Expressway;

4.R&D investment**(1) R&D investment statement**

√ Applicable □ Not applicable

Unit: yuan

Expenditure R&D investment in the current period	67,632,819.17
Capitalization R&D investment in the current period	0
Sum of R&D investment	67,632,819.17
Proportion of R&D investment sum in operating revenue (%)	0.60
The number of R&D staff of the Company	134
Proportion of R&D staff in the staff of the Company (%)	2.21
Proportion of capitalization R&D investment (%)	0

(2) Explanations

□ Applicable √ Not applicable

5.Cash flow

√ Applicable □ Not applicable

Item	Number at the end of the current period	Number at the end of the previous period	Change proportion (%)	Explanations
Cash paid for purchased commodities and accepted services	6,376,558,265.49	4,745,474,004.64	34.37	Mainly due to the growth of trading volume, resulting in an increase in procurement;
Other cash paid related to operating activities	436,716,594.37	1,481,600,879.55	-70.52	Mainly due to the decrease in current account;
Cash received from investment incomes	1,888,574,853.17	1,038,478,559.42	81.86	Mainly due to the actual receipt of dividends distributed by Evergrande

				Project;
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	5,999,826.93	2,961,505.56	102.59	Mainly due to the increase in disposal of fixed asset;
Net cash received from disposal of subsidiaries and other business entities	0.00	312,672,429.53	-100.00	Such large amount in the previous period was mainly caused by disposal of Jinan Construction
Other cash received related to investment activities	867,957,496.22	533,681,928.19	62.83	Mainly due to recovery of partial loan to Puyuan Real Estate
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	6,594,615,778.91	9,721,032,984.36	-32.16	Mainly due to reduction of expenditure on expressway reconstruction and expansion projects
Net cash paid for acquisition of subsidiaries and other business entities	808,945.02	0.00		Payment for getting Shandong Ludao Construction Engineering Co., Ltd.
Other cash paid related to investment activities	10,841,593.13	0.00		Mainly for the disposal of New Material Technology and Changying Jin'an
Other cash received related to financing activities	600,000,000.00	23,611,355.51	2,441.15	Mainly due to receipt of investment fund for capacity expansion and transformation in the current period
Cash paid for dividend distribution, profit and interest	4,422,451,766.13	2,632,807,836.00	67.97	Mainly due to increase in dividend distribution and interest payment on loans
Other cash paid related to financing activities	5,497,918,450.22	34,075,113.39	16,034.70	Mainly due to payment of equity transfer of rail transit and liquidation contribution of Trust No.1

(II) Explanations of Major Changes in Profit by Non-core Business

□ Applicable √ Not applicable

(III) Analysis of Assets and Liabilities

√ Applicable □ Not applicable

1. Assets and liabilities

Unit: yuan

Project Name	Number at the end of the current period	Proportion of total assets at the end of the current period (%)	Number at the end of the previous period	Proportion of total assets at the end of the current period (%)	Change proportion at the end of the current period compared with the end of the	Explanations

					previous period (%)	
Trading financial assets	37,879,166.67	0.04				Arising from new investment
Notes receivable	78,553,471.98	0.08	166,046,781.89	0.19	-52.69	Due to receipt of acceptance bill
Accounts receivable	519,497,846.78	0.56	216,250,199.80	0.25	140.23	Mainly due to increase in goods trade in the current period
Receivables financing	150,000,016.63	0.16	108,547,434.59	0.12	38.19	Bank acceptance bill increased
Contract assets	160,875,310.33	0.17				Arising from implementation of new income standards
Other current assets	3,738,969,498.66	4.02	1,207,089,124.63	1.37	209.75	Mainly due to transfer of equity investment in Evergrande Project and withdrawal from Qingdao Wudaokou New Energy Vehicle Project
Other non-current financial assets	599,602,448.11	0.65	5,667,934,389.21	6.44	-89.42	Mainly due to disposal of the equity investment of Evergrande Real Estate Group Co., Ltd.
Construction in process	8,480,761,085.91	9.13	2,530,414,811.07	2.87	235.15	Mainly due to expenditure of Beijing-Taibei Expressway reconstruction and expansion project
Short-term loans	2,861,018,522.06	3.08	568,567,899.41	0.65	403.20	Mainly due to increase in loan for capital turnover
Notes payable	276,072,829.09	0.30	33,211,430.37	0.04	731.26	Mainly due to increase in bill settlement business
Advance receipt	69,254,472.77	0.07	233,063,704.00	0.26	-70.29	Mainly due to income carried forward
Contract liabilities	118,774,829.03	0.13				Arising from implementation of new income standards

Other payables	3,484,301,888.14	3.75	2,660,600,796.25	3.02	30.96	Increase in receivables from and payables to related parties
Other non-current liabilities due within one year	3,692,845,879.29	3.97	2,675,588,903.13	3.04	38.02	Mainly due to long-term loan due within one year
Deferred Income	1,593,513,850.06	1.71	1,209,465,555.56	1.37	31.75	Mainly due to increase in government subsidies received
Other equity instrument	3,200,000,000.00	3.44	2,000,000,000.00	2.27	60.00	Mainly due to issuance of perpetual bonds
Capital reserves	1,748,100,650.09	1.88	4,836,763,252.70	5.49	-63.86	Mainly caused by merger of Shandong High-speed Rail Transit Group Co., Ltd. under the same control.
Other comprehensive income	-47,382,900.51	-0.05	9,953,082.58	0.01	-576.06	Mainly due to change in other comprehensive income of affiliated enterprises

Other statements

None.

2. Major assets under restriction as of the end of the report period

Applicable Not applicable

Item	Year-end book value	Restriction reason
Monetary funds	71,537,681.93	frozen amount due to litigation, security deposit
Intangible assets	30,790,608,704.29	Pledge borrowing
Intangible assets	262,560,662.30	Mortgage loan
Fixed assets	21,892,958.90	Mortgage loan
Receivables financing	57,000,000.00	Pledged

3. Other statements

Applicable Not applicable

(IV) Analysis of Industry Profitable Information

Applicable Not applicable

(V) Investment Analysis

1. Overall Analysis of External Equity Investment

Applicable Not applicable

In 2020, the Company adhered to the development philosophy of "putting people first, focusing on the principal road and bridge businesses, making the public enjoy the safest, the most unimpeded and comfortable

high-quality travel service, building the national first-class road and bridge service provider, creating value to the society, increasing profit to shareholders, bringing benefits to the employees, and realizing high-quality development", considered about its own reality and energetically developed investment in principal businesses to enhance its core competitiveness; meanwhile, the Company actively promoted funds and other short-term investment business to construct the synergetic development pattern where industrial management propels capital operation, and capital operation nurture industrial management.

(1) Major equity investment

√ Applicable □ Not applicable

Name	Primary service	Proportion of shareholding	Partner	Description
Shandong Hi-speed Rail Transit Group Co., Ltd.	Investment and operation management of rail transit facilities; railway passenger and freight transportation; cargo loading and unloading; repair of railway transportation facilities; railway engineering construction; sales and maintenance management of railway transportation equipment and accessories; agency service of special railway and railway special line; warehousing service (excluding inflammable and explosive chemical dangerous goods); railway freight forwarding; technical development, service and product sales of rail transit; rail transit information services and business consulting; import and export of professional equipment, goods and technologies; comprehensive development and operation of ancillary resources along the railway; production and sales of building materials; sales of coal, stone, coke, sand and gravel, building materials, ordinary ores, railway transportation equipment accessories, general electrical and mechanical equipment, steel, rail, wood, office supplies, asphalt, fuel oil, grain, feed, agricultural products, iron ore and its concentrate; sales of mine tunnel equipment and related materials; sales of alloy and metallurgical materials; leasing of rail transit machinery and equipment; real estate leasing; engineering supervision and technical services.	51%	Shandong Hi-Speed Group Co., Ltd. holds 49% shares.	The registration of change with the industrial and commercial administration was completed on June 16, 2020.
Luzhou Southeast Expressway Development Co., Ltd.	Investment in, construction, operation and management of Luzhou Section of Yibin-Chuanyu Boundary Expressway and its auxiliary facilities; design, production and publication of guideboards, lamp boxes, neon lamps and vehicle graphics.	80%	20% of shares held by Shandong Hi-Speed Sichuan Industrial Development Co., Ltd.	On January 13, 2021, Lu-Yu Company completed the registration of change with the industrial and commercial administration. the Company has controlled Lu-Yu Company since January 2021. According to

				the relevant provisions of the Accounting Standards for Business Enterprises, the Company has incorporated it into the scope of merger. For details, please refer to the L2021-001 Announcement on the Progress of Acquisition of 80% Equity Interests in Luzhou Southeast Expressway Development Co., Ltd. and Related Transactions.
Guangdong Expressway A	Construction, infrastructure operation management and engineering technology research, planning and design, supervision consulting services	9.68%	Guangdong Communications Group Co., Ltd. holds 24.56%; Guangdong Highway Construction Co., Ltd. holds 22.30%; Tibet Yingyue Investment Management Co., Ltd. holds 4.84%, and Guangdong Expressway Co., Ltd. holds 2.53%.	In July 2020, the wholly-owned subsidiary investment company of the Company received Yadong Fuxing Yalian Investment Co., Ltd. at the price of 1.348 billion yuan to hold 9.68% of shares of Guangdong Expressway A, becoming the third largest shareholder of Guangdong Expressway.

(2) Major non-equity investment

√ Applicable □ Not applicable

The first one is key engineering expenditures of about 4.269 billion Yuan. The major project investment is as follows:

Unit: Ten thousand yuan Currency: CNY

Item	Approval Budget Estimate	Actual progress of the Project	Input Amount in 2020	Accumulated Actual Input Amount	Note
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Reconstruction and Expansion Project of Beijing-Taibei Expressway (Dezhou-Qihe Section)	1,190,433.35	52%	381000.00	619112.00	As of December 31, 2020, 77% of the subgrade works had been completed since the reconstruction and expansion project of Deqi Section of Beijing-Taibei Expressway commenced; pavement works had been completed by 58%; a total of 63% of bridge and culvert works had been completed; the traffic safety works had been completed by 51%; 70% of housing construction had been completed.
Reconstruction and Expansion Project of Beijing-Taibei Expressway (Jinan-Tai'an Section)	657312.87	6.98%	45889.00	45889.00	The Project has been granted 12 special approvals, including pre-examination on land use, planning and location, and social stability assessment, and preliminary design approval from the Ministry of Transportation, and completed the paying-off and surveying work in Jinan and Tai'an.
Total	1,847,746.22	/	426889.00	665001.00	

Second, in terms of capital operation, the major project investment details are as follows:

Unit: Ten thousand yuan

Currency: CNY

S/N	Project Name	Total Project Investment	Proposed Investment of the Company	Input Amount in 2020	Balance of Input Amount of the Company	Description
1	The trust plan of assembled funds for CR Trust ·BOE project intended to invest in the preferred shares project of Mianyang Technology City Industry Investment Fund (Limited Partnership)	570000	50000	0	50000	
2	Jinan Changying Transportation Infrastructure Investment Fund Partnership	338128	76000	10000	76000	
3	Qingdao Changying Jinpeng Equity Investment Partnership (Limited Partnership)	140100	140000	-16500	123064	
4	Jinan Changying Jincheng Equity Investment Partnership (Limited Partnership)	501001	501000	-151000	350000	For details, please refer to the L 2020-065 Announcement on the Progress of Outward Investment disclosed by the Company on November 23, 2020.
5	Jinan Changying Jin'an Investment Partnership (Limited Partnership)	249910	249900	-245608	0	The project was withdrawn in June 2020. For details, please refer to the L2020-037 Announcement on the Progress of Adjusting Fund Investment Plans and Outward Investment disclosed by the Company on June 30, 2020.
6	Jinan Changying Jinhai Investment Partnership (Limited Partnership)	420250	420240	211401.943	211401.943	See the Announcement on Adjusting Fund Investment Plan and Outward Investment Progress (announcement No.: L 2020-037) issued by the Company on June 30, 2020: Lin 2020-037
7	Weifang Shangao new and old energy conversion investment partnership (limited partnership)	230001	150000	-45000	105000	
8	Shandong Hi-Speed and Chengtay New Growth Driver Venture Capital fund of Shandong Province	50000	20000	2030.58	2030.58	
9	Jinan Jinming Investment Partnership (Limited Partnership)	60010	60000	0	56400	
10	Shandong Hi-Speed Changying Huitong Equity Investment Fund Partnership (Limited Partnership)	49000	24738	0	0	In accordance with the fund partnership agreement, the Company has not received the notification of capital contribution from the fund manager, or paid up the capital.
11	Shandong Hi-Speed Zhongtong New Growth Driver Industrial Investment Fund of Shandong Province (Limited Partnership)	500000	34500	3450	3450	
12	Total	3108400	1726378	-231225.477	977346.523	

(3) Financial assets measured at fair value

√ Applicable □ Not applicable

Unit: Ten thousand yuan Currency: CNY

Project Name	Beginning balance	Ending balance	Current Change	Influence Sum to Current Profit
Evergrande Real Estate Group Co., Ltd.	500,000.00	0		
Yike Tower Investment Project	56,389.32	56,389.32		
Specific assets support plan for South Cement Company Limited	3,570.93	3,570.93		
Specific assets support plan for Chengtay Lease	6,833.19	0		
Project of Qingdao Wudaokou New Energy Vehicle Industry Fund	100,000.00	0		
Shandong Hi-speed Culture Media Co., Ltd.	1,761.47	1,761.47		
Shandong Hi-Speed Greentown Laiwu Xueye Lake Development Co., Ltd.	518.29	0	-518.29	
Shandong Weilai High Speed Railway Co., Ltd.	3,162.68	3,162.68		
Shandong Railway Investment Holding Group Co., Ltd.	30,000.00	30,000.00		
BOCOM Schrodgers-Champion Rental Asset-Backed Special Plan		3,787.92		
Receivables financing	10,854.74	15,000.00		
Total	713,090.62	113,672.32	-518.29	

(VI) Material Assets and Equity Sales

√ Applicable □ Not applicable

On April 28, 2017, the 5th meeting (interim) of the Fifth Board of Directors reviewed and approved the Proposal to Transfer 100% of the Equity of Yantai Hesheng Real Estate Development Co., Ltd. To implement the transformation and upgrading development strategies of the Company, revitalize its stock assets, and ensure the realization of investment income, the meeting agreed the wholly-owned subsidiary of Shandong Hi-Speed Investment Development Co., Ltd to transfer 100% of the equity of Yantai Hesheng Real Estate Development Co., Ltd held by it through the listing system with a base listing price of no less than 104.73 million Yuan and request the transferee to repay the shareholder loan principal of 1.0936278 billion and all the interest (at the annual interest rate of 10%) as of the equity settlement day to Investment Development Co., Ltd. on behalf of Yantai Hesheng. The meeting authorized the management level of the Company to deal with the foregoing equity transfer affairs including, without limitation, determining listing price, signing relevant agreements, handling equity transfer procedures, etc.

On December 16, 2019, the 44th meeting (interim) of the Fifth Board of Directors of the Company reviewed and approved the Proposal to Complete Land Replacement by Providing Shareholder Loans to Yantai Hesheng Real Estate Development Co., Ltd. To promote the subsidiary equity transfer, the Company, Fushan District Government and the Transferee reached a preliminary agreement to make land replacement regarding the obtained land with the protected area. Based on the government assessment, the value of the replaced land parcel was 710 million Yuan higher than that of the original one, the Company agreed to provide Yantai Hesheng with shareholder loans of 1 billion to make up the balance and complete land replacement. The transferee agreed the land replacement scheme, and to continue performing the transfer transaction in Shandong Property Rights Exchange Center and repay new shareholder loans and interest on behalf of Yantai Hesheng.

On August 31, 2020, Yantai Municipal Government reviewed and approved the controllable detailed planning of Jiahe Island Project, which led to the adjustment of the original land replacement plan, including the replacement of 5 plots obtained and shall be replaced with plots in compliance with the controllable detailed planning and available for development. In order to properly address the change in related matter caused by the planning adjustment of Jiahe Island Zone, accelerate the listing and transfer of share of Yantai Hesheng Company, with the consent of the intended transferee of 100% share of Yantai Hesheng Company, the Company carried out the second land replacement with Yantai Fushan District Government on the principle of equal value replacement; the second land replacement involved 8 parcels of land. As of the end

of the reporting period, the relevant parties reached an agreement on the second land replacement, which was in progress.

(VII) Analysis of Major Controlling and Shareholding Companies

√ Applicable □ Not applicable

Unit: Ten thousand yuan Currency: CNY

Name of Subsidiary	Nature of Business	Registered capital	Business Scope	Total Assets	Net Assets	Net Profits
Hubei Wujing Expressway Development Co., Ltd.	Highway management	80800.00	Road, bridge and tunnel investment construction; building material sales; landscape engineering design and construction; road scientific research, labor service, conference service, investment and equity participation, and office rental.	846752.08	281656.26	3823.02
Shandong Hi-Speed Henan Xuyu Road Co., Ltd.	Highway management	20000.00	Investment in, operation, management and maintenance of expressway construction, and engineering machinery sales and rental.	101226.80	48206.30	2464.91
Shandong Lijin Huanghe Highway and Bridge Co., Ltd.	Highway management	7000.00	Road and bridge management and operation	17768.14	13537.67	1164.95
Shandong Hi-Speed Investment Development Co., Ltd.	Investment and development	400000.00	General activities: investment activities with its own capital; property management; information technology advisory services; housing lease; technical service, technical development, technical consultation, technical exchange, technology transfer and technology promotion; lease of construction machinery and equipment; maintenance of electronic and mechanical equipment (excluding special equipment); installation services for common mechanical equipment; advertising design and agency; advertising (non-radio stations, television stations, newspapers and periodicals publishers); advertising production; sale of building material; sale of gift and flower; sale of mechanical part and spare part; operation of electric wire and cable; sale of mechanical equipment; rental of machinery and equipment; sale of animal husbandry and fishery feed; sale of electronic	898962.27	574234.28	18052.30

Name of Subsidiary	Nature of Business	Registered capital	Business Scope	Total Assets	Net Assets	Net Profits
			product; sale of steel bar product for construction; sale of cement product; maintenance of transportation facilities; landscaping construction; earthwork (except for those subject to approval by law, independent business activities shall be carried out by law with business license); permitted activities: construction project supervision; forest seed production and management; all kinds of construction activities; interior decoration of residential housing,			
Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.	Investment and development	51000.00	Entrusted asset management; investment management (trust, financial asset management, securities asset management and other restricted projects prohibited); equity investment; entrusted management of equity investment funds. (The foregoing restricted items, except for the items prohibited by laws, administrative regulations and decisions of the State Council, shall be subject to approval)	97799.14	60537.24	1329.57
Shandong Hi-speed Rail Transit Group Co., Ltd.	Railway operation	255275.50	Investment and operation management of rail transit facilities; railway passenger and freight transportation; cargo loading and unloading; repair of railway transportation facilities; railway engineering construction; sales and maintenance management of railway transportation equipment and accessories; agency service of special railway and railway special line; warehousing service (excluding inflammable and explosive chemical dangerous goods); railway freight forwarding; technical development, service and product sales of rail transit; rail transit information services and business consulting; import and export of professional equipment, goods and technologies; comprehensive development and operation of	679862.74	371804.44	41153.35

Name of Subsidiary	Nature of Business	Registered capital	Business Scope	Total Assets	Net Assets	Net Profits
			ancillary resources along the railway; production and sales of building materials; sales of coal, stone, coke, sand and gravel, building materials, ordinary ores, railway transportation equipment accessories, general electrical and mechanical equipment, steel, rail, wood, office supplies, asphalt, fuel oil, grain, feed, agricultural products, iron ore and its concentrate; sales of mine tunnel equipment and related materials; sales of alloy and metallurgical materials; leasing of rail transit machinery and equipment; real estate leasing; engineering supervision and technical services. (Business requiring government approval according to law can only be carried out when such approval from relevant department is obtained)			
Shandong High Speed Railway Construction Equipment Co., Ltd.	Equipment manufacturing	11111.00	research and development, manufacture and sale of rail transit concrete sleepers, ballastless track slabs, catenary pillars, bridge components, shield segments, sound barriers, industrial and civil concrete products and components, ready-mixed commercial concrete and production equipment; ballast fabrication and sale; rental of houses, premises and equipment; sale of sand aggregate; self-management and agency of import and export business of various commodities and technologies, self-run and agency of goods and technologies export and import except those restricted or limited by the State. (Business requiring government approval according to law can only be carried out when such approval from relevant department is obtained)	91274.11	58008.00	10773.71

(VIII)Details of Company-controlled Structured Entity

√ Applicable □ Not applicable

The Company and Agricultural Bank of China Co., Ltd., as the principals, set up "Bohai Trust · 2019 Production Investment No. 01 Trust Plan of Assembled Funds" and the trustee is Bohai International Trust

Co., Ltd. In accordance with the trust contract, the Trust Plan does not set a fixed duration, and the expected duration shall not be less than one year, and be subject to the resolution of the investment committee. For the investment decision-making committee, the Company delegated three members and Agricultural Bank of China delegated one member, and the investment decision-making committee has one director who will be appointed by the Company. An investment decision-making committee meeting shall be held with the more than half of attendees, and a resolution shall be approved only if more than half the attendees approve it. As it has the vast majority of members in the investment committee, the Company owns the right to control the Trust Plan.

In November 2020, the Company recovered contribution of Bohai Trust ·2019 Production Investment No. 01 Pool Fund Trust Plan, and no longer incorporated it in the scope of merger.

III. Discussion on and Analysis of Future Development of the Company

(I) Industry Pattern and Trends

√ Applicable □ Not applicable

1. Industry pattern

(1) Industry policies

Removed the toll booths at provincial borders, and promoted the charge mode by vehicle (axle) type classification. In May, 2019, the State Council printed the Implementation Plan to Deepen the Reform of the Toll Roads System and Remove Expressway Toll Booths at Provincial Borders, and proposed to charge uniformly by vehicle (axle) type classification from January 1, 2020, ensure that no general toll burden is added to freight transport vehicles, and weigh and detect freight transport vehicles on a nonstop basis at closed expressway toll booth entries, and required to revise Standards of Vehicle Classification of the Toll for Highway and adjust the toll charge mode for freight transport vehicles. In connection with the vehicle classification changes, the classification limit between class 1 and class 2 of passenger transport vehicles is adjusted from the rated persons capacity of 7 to 9. Freight transport vehicles are mainly classified according to their total axles, two-axle freight transport vehicles with blue plate are classified as class 1, two-axle ones with yellow plate are classified as class 2, three-axle ones class 3, four-axle ones class 4, five-axle ones class 5, six-axle ones class 6, and those with over six axles are classified as overloaded transport vehicles according to the actual number of axles.

On the other hand, for the present, China's Regulations on Toll Road Management (revised draft for comment) has not yet been formally implemented, however, the policy thinking provided by its content and the reform progress of toll road investment and financing mechanism will alleviate the huge stress on payment imbalance in the industry to a certain extent; however, the implementation process of investment and financing reform, the implementation period of the revised Regulations on Toll Road Management and the feedback of policy effect need continuous observation.

During the epidemic control period in 2020, the national toll policy was exempted. To serve the COVID-19 prevention and control, promote work resumption and ensure economic development, with the consent of the State Council, from 00:00 of February 17, 2020 to the end of the COVID-19 outbreak, tolls are exempted for all the legal toll roads across the nation. According to relevant laws and regulations, relevant supporting safeguard policies had been enacted one after another, mainly including that during the Toll-Free period, if there are difficulties for business entities in repayment of principal and interest of financial debt, policies such as delay of interest payment, grace time for repayment of principal or renewal of loan will be given, preferential loan for working capital will be provided for enterprises, and the toll period of toll road will be appropriately extended so as to safeguard the legitimate interest of toll road users, creditors, investors and operators as a whole. COVID-19 pandemic and toll-free policy for epidemic control have obvious impact on short-term income and cash flow of toll road industry. However, with the effective control of epidemic situation, the impact of toll-free policy in the third quarter of 2020 was basically cleared and the stable cash flow of highway toll in the future can still be expected.

(2) Industry trends

Highway operator's road and bridge toll expires; reconstruction and expansion continued. In accordance with the current Highway Law of the People's Republic of China and Regulation on the Administration of Toll Roads, the current profitable expressway toll period is 25 or 30 years. Expressway enterprises will witness a tide of expressway asset toll maturity gradually in the future 5-10 years. Currently, reconstruction and expansion is a valid method to extend the toll period, according to the existing policies, reconstruction and expansion can lengthen a certain toll period according to the actual investment situation. Essentially, there is no difference in toll period between reconstructed and expanded expressway assets and newly-built ones, but reconstruction and expansion have certain advantages in construction period, incubation period, etc.

Expressway enterprises keeps advancing with sci-tech innovation with smart transportation as core. With the application of Internet of Things (IOT), big data, cloud computing, AI and other new technologies and concepts, technological innovation is continuously promoted in the expressway industry. Ministry of Transport, in Notice of MOT's General Office on Accelerating the Next-Generation National Traffic Control Network and Smart Highway Pilots, explicitly mentioned "digitalization of infrastructure, integrated road transport CVIS, synthetic application of Beidou high-precision positioning, integrated management of road network based on big data, "Internet +" road network integrated services, new generation of national traffic control network". Implementation of new measures, such as removal of toll booths at provincial borders, new generation of national traffic control network and smart highway pilots, etc., brought chances to the development of smart expressways.

High-quality development is explored through merger and reorganization and external investment. Throughout the expressway industry, due to the nature of heavy assets and high liabilities of the expressway industry, in recent years, private enterprises have gradually withdrawn from the industry, and expressways in several provinces which are operated and managed by a few state-owned expressway enterprises, forming the industry pattern of oligopoly. The industry pattern of oligopoly has accelerated the reorganization and integration process of state-owned enterprises in the expressway industry, and explored high-quality development step by step.

(II) Development Strategies

√ Applicable Not applicable

1. Development Philosophy

The company will adhere to the people-oriented principle, focus on her main business of road and bridge, seize the opportunity of replacing old growth drivers with new ones, let the public take the safest, smoothest and most comfortable road, enjoy high-quality travel services, become a national first-class service provider in transportation infrastructure investment, construction and operation, turn into the main force in replacing old growth drivers with new ones in the transportation field, create value for society, increase benefit to shareholders, bring benefits to employees, realize high-quality development, and contribute to construction of a strong province and a strong country of transportation.

2. Development Targets

the Company will adhere to independent innovation, focus on her main business, cultivate her core competitive advantage, seize opportunities, and realize continuous self-transcendence through rolling development of road and bridge as her main business. the Company has expanded her scope of business through acquisition and merger, cooperative development and so on with appropriate related diversification; kept looking for new profit drivers and enhancing the development potential of her enterprise so as to truly become a glory century enterprise for sustainable development. With a strong sense of social responsibility, the Company will promote environmental protection and local economic prosperity, reward investors with sustained outstanding performance, provide high-quality and efficient services to customers, and provide good protection and growth conditions for employees so as to gain public respect,

3. Development strategies

first, focus on the main business and seek progress while maintaining stability: focus on the investment, development and operation of roads and bridges, concentrate her high-quality resources to support the development of main business, and rely on smart high-speed business to do a good job in operation, maintenance and management output;

secondly, being led by investment, rebuild strengths: guided by project investment, lead the layout of Expressway Share in the entire transportation industry chain and form key capabilities; and make full use of cash flow advantage of expressway enterprises, actively explore areas seeking stable return on investment as secondary business, and create new stable profit drivers;

thirdly, being empowered by science and technology to improve quality: take the application of science and technology as an effective means, comprehensively improve the Company's scientific and technological level, build a high-quality travel service brand, help the expressway become safe and smooth, and reduce cost and improve efficiency.

(III) Business Plan

√ Applicable Not applicable

1. Complete the task of ensuring smooth operation

first, establish the idea of "forming one network" for the entire province, coordinate the operation of expressways inside and outside the province, and keep improving important indicators such as ETC passing

rate; secondly, take road safety and passage as the top priority, deepen the "visualized smart dispatching system", improve the dispatching system and road network obstacle clearance and rescue system, focus on solving the problem of regional safety and passage, and strive for 100% acceptability of "2030" obstacle clearance and rescue brand in key sections; thirdly, relying on information construction, promote intelligent road operation and digital enterprise construction with systematic thinking, and build a smart high-speed model project in Shandong; fourthly, promote visualization of road and bridge maintenance, management via big data and scientific decision-making, explore artificial intelligence to assist maintenance, inspection and disease analysis, and further improve the quality of professional staff and the level of maintenance IT, intelligence and specialization; fifthly, strengthen the implementation of operation and management service standards and continuously provide high-quality travel services; sixthly, develop the service zone brand with regional characteristics, provide "service area+" value-added services, create new windows for civilized services, new positions for profit and income generation, and innovate new engines for management.

2. Complete the task of increasing income and reducing expenditure

First, change the way of thinking and pay attention to finding ways to "increase income": all production and operation activities should fully consider reducing the impact on operating fees and seize the main contradiction in cost reduction and efficiency improvement; secondly, improve the management system of leaking stoppage and increasing income, auditing and fighting against dodging toll, make good use of auditing platforms at all levels, dig deep into ETC and gantry check functions, sort out and summarize new methods of check over dodging toll, and strive to increase income by over 0.3% all year round; thirdly, fully establish market and management awareness, continue to improve and deepen all marketing measures, explore other ways such as cooperation with logistics groups, and lead cars to make new breakthroughs; fourthly, adhere to the concept of running business frugally, strengthen the rigid control over cost, reduce some expenditures, fully launch the financial sharing system online and strengthen financial management; fifthly, focus on the full life cycle maintenance, fully implement preventive maintenance, and scientifically manage investment and expenditure; rationally plan the maintenance work during the "14th Five-Year Plan" period, and focus on the all-weather maintenance scheme that breaks through the rainy and snowy weather in winter.

3. Complete the crucial task of capital operation

First, give full play to the role of the capital market and the platform of listed company, and realize the refinancing of the capital market by issuing stocks and other capital operation means; introducing strategic investors, optimizing ownership structure and expanding capital operation space; deepen value management and investor service to keep enhancing the Company's value; The second is to further focus on the main responsibility and main business, horizontally merge expressway projects, and combine with the expansion of vertical industrial chain, so as to realize the coordinated development of the Company's "big transportation" industry. In particular, the Company plays a dominant role in the whole industrial chain, focuses on the development of new materials for road use, expands the road raw materials industry conditionally, and seeks profits downstream of the industrial chain. The third is to appropriately control the proportion of financial investment, strengthen the development of idle assets, revitalize idle assets, and increase asset returns.

4. Complete the crucial task of industrial expansion

First, improve the investment layout of the main industry chain and realize the coordinated development of the Company's "Big Move" industry; secondly, explore entry into government-purchased service industries such as environmental protection and garbage disposal, and cultivate the Company's second business; thirdly, complete and operate six idle asset development formats, commence four new idle asset development projects, one government purchasing and storing project, and 10 logistics distribution stations based on regional characteristics, revitalize idle asset and improve asset returns in combination with the logistics backbone network; fourthly, let the construction sector insist on "going global" to create new profit drivers for the Company.

5. Complete the crucial task of project construction

First, the Beijing-Taibei-De-Qi Project is expected to complete investment of RMB 2.05 billion and will be ready for opening to traffic by October; focus on supervising controllable works and key milestones, focus on improving special quality such as pavement smoothness, and focus on site construction safety management such as Jian River and Tuhai River Bridges construction for success of the project; secondly, Beijing-Taibei-Ji-Tai Project aims to "build a national first-class model of reconstruction and expansion project", deepen the construction of green roads, plan smart expressway construction in advance, and complete investment of RMB 1.26 billion to ensure completion of key milestone tasks.

(IV) Possible Risks

√ Applicable □ Not applicable

1. Macroeconomic and policy risks

2021 is not only the first year of the 14th Five-Year Plan, but the first year of economic recovery after the epidemic, the first year to achieve the second centennial goal, and the first year of the new US administration after the Sino-US economic and trade friction, facing the opening of many historic gateways. The major restructuring of world pattern puts forward a new requirement for China's macro-control policies, taking into account short-term fluctuations and long-term development, cross-cycle regulation aiming at solving structural and long-term problems in the process of economic development has become the administrative framework in the new era. In this special period, there are still a large number of unpredictable risks and challenges in China's macro economy. The highway transportation economic cycle has high coupling with macroeconomic cycle, and economic cyclical changes directly influence the demands of economic activities on transportation resources. In addition, in the post-epidemic era, the impact of epidemic on transportation industries such as expressways will continue and there is still some uncertainty.

Countermeasures: on one hand, the Company will strengthen contact and communication with competent governmental authorities, especially transportation, finance, taxation and price administrations, and seek policy support from competent governmental authorities for expressways; pay close attention to relevant governmental policy information, collect, analyze and comprehensively process external data, strengthen the research on relevant governmental principles and policies, and make corresponding business decisions in a timely manner; on the other hand, accelerate the transformation and development, cultivate diversified profit drivers, and reduce the dependence on tolling, try the best to avoid the adverse impact of industrial policies on the Company; and do a good job in capital planning in advance, strengthen capital operation, long-term financing and business planning, and enhance the overall risk tolerance.

2. Road network effect and divergence risks

In accordance with the Medium and Long-term Development Plan of Comprehensive Transportation Network of Shandong Province (2018-2035), Shandong Province will plan new expressway mileage with a 700 kilometers from 2018 to 2035, and focus on upgrading and reconstruction, make overall planning for new projects and reconstruction and expansion ones, accelerate to optimize the layout and perfect the network, solve congestion in main highways and sections across the Yellow River, and make the highway mileage reach 8000 kilometers by 2022; accelerate to implement the highway connecting line project, energetically enhance the network connection efficiency and connectivity level, and further optimize the highway network layout in main roads by 2025; achieve the total highway network scale up to 9000 kilometers which can cover all counties (cities and districts) across the Province, increase the expressway entries and exits to 27, form the network layout of "nine vertical expressways, five horizontal expressways, one ring expressway encircling Shandong Province, seven radiant expressways, and multiple connecting lines", and strive to realize the goal that there are over two connecting expressways within a passageway. As the expressway network gets improved year by year, there are parallel or alternative paths in some sections, objectively resulting in vehicle divergence in such sections.

Solutions: First, the Company will focus on satisfying customer demands, strengthen the customer relationship management, perfect the customer demand survey and analysis working mechanism, subdivide customer markets, provide efficient, considerate and personalized service, and build the brand of "harmonious Hi-Speed"; second, the Company will take the establishment of cosy travel environment as base, promote the maintenance mechanization, standardized renovation and brand improvement, create favorable highway technical situations and road appearance, and build the brand of "cosy Hi-Speed"; third, the Company will be based on providing smart and thoughtful service, actively develop and apply big data, build a big data management platform and road network operation collaboration platform, conduct the pilot scheme of "unmanned" toll booths, develop new media information release channels, perfect the public information service system, and build the brand of "smart Hi-Speed"; and, the Company will continuously improve its service quality and increase the viscosity to sections operated by the Company of drivers and conductors.

3. Project expansion risks

In respect of the principal road and bridge business, the Company has acquired high-quality in-service expressways at a low cost; in respect of investment expansion, the Company has invested in related road and bridge industry and value chains and energy conversion; in respect of financial investment, the Company has selected projects which comply with national policy orientation and provincial industry planning, and advanced projects with low risks and quick returns on a priority basis. The Company has expanded its businesses from traditional road and bridge operation to investment in related road and bridge industry and value chains, energy conversion, and values. Entry into new investment fields is definitely with certain risks, including wrong judgment risk, investment target cognition risk, investment financial risk, and subsequent

management and integration risk, etc.

Countermeasures: first, attach greater importance to risk control. strengthen the internal control on the Company's foreign investment, make full use of external forces such as expert argumentation meetings and intermediary organizations, and provide a strong basis for the Company's investment decision; Second, explore the target of stable industry layout, high dividend rate, return on net assets, profitability and net profit, and more stable cash dividends with financial investment. carry out all-round investigation, scientific screening and full demonstration and make careful investment choices on industries and investment targets; thirdly, in direct investment, focus on expressway leading and smart expressway industries: participate in investment on leading expressway companies outside the province through equity participation to obtain stable return on investment from Highway Property; expand the proportion of shares in core Highway Property outside the province, improve the stability of the overall performance of Joint-stock Company and reduce regional risk.

4. Construction management risks

By 2021, the reconstruction and expansion project of Beijing-Taibei Expressway will have been in the centralized construction period and the Company will have been in the peak of project construction, and the total final project investment amount might exceed the budget due to removal of some pipelines along the reconstruction and expansion engineering, building material price fluctuation, engineering changes, new policies and technical specifications issued by governments, development plan adjustment by governments, and other unforeseeable factors.

Solutions: the Company has a professional construction management team which has accumulated rich experience in construction management from construction of Jinan-Qingdao Expressway, the first expressway in Shandong Province, to reconstruction and expansion of the Expressway. the Company will take the following measures for Reconstruction and Expansion Project of Beijing-Taibei Expressway to reduce the construction risk: first, optimize the design and construction method to minimize demolition, relocation and construction workload; secondly, make key materials supplied by the Employer and purchase centrally to reduce material cost; thirdly, scientifically arrange construction processes, reasonably shorten construction period and reduce management cost; fourthly, optimize the change proposal, control the number of changes and reduce the amount of changes; fifthly, formulate strict quality management systems, standardize quality control measures and determine the foundation of quality control; promote construction standardization, enforce the First Project Approval System, and guide participants to change from traditional extensive type to modern intensive; sixth, strengthen field control to achieve environmental protection and civilized construction. Seventh, based on ensuring unimpeded traffic, to particularly take actions against severe weather, key construction sites and roadside traffic safety guaranty, and achieve unimpeded and safe travel.

(V) Other

Applicable Not applicable

IV. Disclosures not according to the code of conduct due to inapplicability to such code of conduct or national secrets, business secrets or other special reasons, and explanations of reasons

Applicable Not applicable

Chapter V Material Matters

I Common stock profit distribution or common reserves capitalizing pre-plan

(I). Cash dividend policy making, execution or adjustment

√ Applicable □ Not applicable

1. The Company has specified the profit distribution policies in the Articles of Association in accordance with Notice of the China Securities Regulatory Commission on Further Implementing Cash Dividends of Listed Companies and Supervision Notice of Shandong Branch of China Securities Regulatory Commission on Revising the Clauses on Cash Dividends in Articles of Association of Companies ([2012] No. 5) and Urgent Notice of Shandong Branch of China Securities Regulatory Commission on Revising the Clauses on Cash Dividends in Articles of Association of Companies (Luzhengjiangongsi [2012] No. 48), etc. As specified in Clause 196.02 of Articles of Association: "Except under exceptional circumstances, when the realized net profit of the current year is positive and the accumulated undistributed profit at the end of such a year is also positive, the Company shall distribute dividends in cash, and the profit distributed in cash shall be no less than 10% of the realized distributive profit of the current year, and the accumulated distributed profit in cash in the recent three years shall be no less than 30% of the realized average distributive profit of such three years."

2. The annual profit distribution plan of the Company shall be proposed and drafted by the Board of Directors in conjunction with the provisions of the Articles of Association, profitability, capital supply and demands. Whilst reviewing the cash dividend scheme, the Board of Directors shall carefully study and demonstrate the timing, conditions and minimum proportion of cash dividends, adjustment conditions and decision-making procedure requirements, etc. Where independent directors, after study and demonstration, believe that such cash dividend scheme complies with relevant laws and regulations and various rules and regulations of the Company, and is without prejudice to the benefit of company shareholders, especially that of minority shareholders. The profit distribution scheme shall be implemented subject to the review and approval of the Shareholders' Meeting after being reviewed by the Board of Directors. The Company also listens to the minority shareholders' suggestions and advice on dividend policies and schemes via investor hotline, company email, etc.

3. During the report period, the annual profit distribution scheme of 2019 of the Company has been approved in the annual shareholders' meeting of 2019 held on June 23, 2020, and it is decided to distribute the cash dividend at 3.80 Yuan (tax-included) per ten shares to all the shareholders with the base number of 4,811,165,857 shares, with the total dividends of CNY1,828,243,025.66 Yuan (tax-included). On July 10, 2020, the Company completed dividend distribution of 2019.

4. On July 30, 2020, the Company disclosed the ROE Planning of Shandong Expressway Co., Ltd. for the Next Five Years (2020-2024). If conditions permit for cash dividend, the Company's annual profit distributed in cash in the next five years (2020-2024) shall not be less than 60% of the net profit attributable to the owner of the parent company in the consolidated statement realized in that year.

After being audited by Shinewing Certified Public Accountants (Special Partnership), the net profit attributable to owners of the parent company in 2020 after consolidation is CNY 2,038,999,018.13, where: the net profit achieved by the parent company is CNY2,242,060,666.99. After withdrawing the statutory reserves of CNY224,206,066.70 at a ratio of 10% of the achieved net profit of the parent company, the retained earnings is 2,017,854,600.29. The accumulated distributable profits of parent company in 2020 is CNY16,232,090,812.89. The company intends to distribute, based on the total capital shares of 811,165,857 on December 31, 2020, the cash dividend of CNY3.80 (including tax) upon 10 shares with the total cash dividends of CNY1,828,243,025.66, and distribute the surplus undistributed profit of CNY189,611,574.63 after carry-over. The company didn't increase stock capital by common reserves capitalizing in 2020.

(II) Common stock profit distribution or common reserves capitalizing pre-plan or plan during the recent three years (including the report period)

Unit: yuan Currency: CNY

Annual dividend	Number of dividend shares per ten shares (shares)	Number of dividend payout shares per ten shares (Yuan) (Tax-	Number of covered shares per ten shares (shares)	Amount of Cash dividends (Tax-included)	Net profit attributable to common shareholders of the listed companies in consolidated statements in dividend years	Proportion of net profit attributable to common shareholders of the listed companies in consolidated

		included)				statements (%)
2020	0	3.80	0	1,828,243,025.66	2,038,999,018.13	89.66
2019	0	3.80	0	1,828,243,025.66	3,043,591,513.37	60.07
2018	0	2.21	0	1,063,267,654.40	2,943,890,710.90	36.12

(III) Repurchase shares in cash charged to cash dividends

Applicable Not applicable

(IV) The Company shall disclose reasons for and purposes and use plans of undistributed profit in detail when it gains profit and the profit for common shareholders of the parent company is positive but fails to propose common share cash dividend distribution plans or pre-plans.

Applicable Not applicable

Performance of Undertakings

(I) The actual controller, shareholders, affiliates, and acquirer of the Company, the Company and other parties concerned relating to undertakings undertook the following matters during the report period or till the report period

Applicable Not applicable

Commitment Background	Commitment Type	Commitment Party	Commitment Content	Commitment Date and Period	Is there a performance period	Is the commitment performed strictly
Commitments related to significant assets reorganization	Resolution of horizontal competition	Shandong Hi-Speed Group Co., Ltd.	1. Shandong Hi-Speed Group confirms Shandong Hi-Speed as the only platform to operate and integrate its high-quality road and bridge assets in the future. 2. For expressway and bridge assets which are not placed in Shandong Hi-Speed, where relevant laws and regulations permit, Shandong Hi-Speed Group undertakes that Shandong Hi-Speed enjoys the preemptive right on even ground in external transfer. 3. Considering that it has the functions of public welfare, Shandong Hi-Speed Group can invest in and operate non-profitable road and bridge projects directly instructed by competent administrative departments; where Shandong Hi-Speed	2016.9.22	Yes	Yes

			<p>believes that such engagement would damage the rights and interests of listed companies, Shandong Hi-Speed Group will endeavor to coordinate with relevant administrative departments and quit such business opportunities. Except for the foregoing non-profitable projects with direct instructions, where relevant laws and regulations permit, Shandong Hi-Speed Group undertakes that Shandong Hi-Speed and its controlling subsidiaries enjoy the preemptive right to invest in relevant roads, bridges and operating projects. 4. Where regulatory agencies or Shandong Hi-Speed believe that other businesses owned by wholly-owned subsidiaries, controlling subsidiaries, or branches of Shandong Hi-Speed Group, or other companies over which Shandong Hi-Speed Group has actual control right form substantial competition with Shandong Hi-Speed, Shandong Hi-Speed Group undertakes to solve such problem in ways permitted by laws, regulations and CSRC (including but not limited to transfer, entrusted operation, entrusted management, rental, contracting, etc.), and offer Shandong Hi-Speed with the option to choose fair and reasonable solutions according to law. 5. During the period where it is a controlling shareholder of Shandong Hi-Speed, Shandong Hi-Speed Group will not damage the legislative rights and interests of</p>			
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			Shandong Hi-Speed or other shareholders (especially minority shareholders) in the character of controlling or principal shareholder. The foregoing undertakings shall remain valid and irrevocable, when any violation against such undertakings occurs, Shandong Hi-Speed Group will bear all losses (including direct and indirect losses) incurred by Shandong Hi-Speed, and at the same time, the profit gained by Shandong Hi-Speed Group due to violation against the foregoing undertakings shall be owned by Shandong Hi-Speed.			
Resolution of connected transactions	Shandong Hi-Speed Group Co., Ltd.	1. After the major asset restructuring, Shandong Hi-Speed Group and other affiliates will try to avoid affiliate transactions with Shandong Hi-Speed; in respect of necessary and unavoidable affiliate transactions, such transactions shall be processed in the principles of fairness, justice and valuable compensation, transaction prices shall be determined at reasonable prices recognized in the market, and transaction approval procedures and information disclosure obligation shall be performed as stipulated by relevant laws, regulations and normative documents. 2. Shandong Hi-Speed Group guarantees to strictly abide by all relevant regulations developed by CSRC, Shanghai Stock Exchange and other normative documents, and Articles of Association and other	2010.11.15, Long-term effective	Yes	Yes	

			management systems of Shandong Hi-Speed, exercise shareholder rights and perform shareholder obligations equally as other shareholders, and not to pursue illegal profit or damage legislative rights and interests of the listed company or other shareholders by taking advantage of its position as a controlling shareholder.			
Other commitments	Profit Forecast and Compensation	Shandong Hi-Speed Group Co., Ltd.	Where the actual accumulated net profit amount of Hubei Wujing Expressway Development Co., Ltd. from 2018 to 2020 fails to reach 960,554,869.89 yuan, the accumulated net profit amount of the three fiscal years as calculated in the Evaluation Report, Shandong Hi-Speed Group would compensate the company, except for force majeure or major changes to national toll road laws and policies. The compensation amount shall be 60% of the balance between the actual accumulated net profit amount of Wujing Freeway from 2018 to 2020 and the accumulated net profit amount of the three fiscal years as calculated in the assessment reports. Hi-Speed Group will make payment within 30 days from the date when the financial statement of 2020 of Shandong Hi-Speed is reviewed and approved by the Shareholders Meeting.	2018.07.31	Yes	Yes

The detailed information is available in "(II) Explanations whether assets or projects achieved profit forecast and of reasons when there exist profit forecast in company assets or projects and the report period falls under the profit forecast period".

Reached Not reached Not applicable

In June 2018, upon the deliberation and approval of the 20th meeting of the 5th Board of Directors and the first Extraordinary General Meeting of Shareholders of the Company in 2018, the Company acquired 60% equity of Hubei Wujing Freeway Development Co., Ltd. (hereinafter referred to as "Wujing" or "target

Company" or "Target Enterprise") held by the Company's controlling shareholder, Hi-speed Group, with RMB 2.766 billion. The Company has included it in the scope of consolidated financial statements since November 1, 2018. For details, please refer to the Announcement on Acquisition of 60% Equity and Related Transactions of Hubei Wujing Freeway Development Co., Ltd. (Announcement No.: L2018-028) disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn).

In order to safeguard the legitimate interest of the Company and all her shareholders, after amicable negotiation between SDHS and the Company, the Parties thereto reached the following agreement on compensation: if the accumulated net profit actually realized by the target enterprise in the 3-year period after completion of this transaction (including the year of this transaction, that is, 2018~2020) did not reach the accumulated net profit (RMB 960,554,869.89) of the 3 fiscal years calculated according to the Evaluation Report, SDHS will make compensation to the Company, except in case of force majeure or any significant change to national toll road laws and policies.

Completion of performance commitment: (1) in 2018, Wujing made profit of RMB 350.8141 million and fulfilled 36.52% of the performance commitment; (2) in 2019, Wujing made net profit of RMB 315.631 million and fulfilled 69.38% of the performance commitment in total; (3) as affected by COVID-19 Pandemic and the toll free policy, Wujing made net profit of RMB 65.6456 only million in 2020 and fulfilled 76.22% of the performance commitment.

On March 29, 2021, the Company held the 19th Session of the 6th Board of Directors and the 7th Session of the 6th Board of Supervisors, which has deliberated and resolved the Proposal on Adjusting the Performance Commitment Period of Subsidiaries and Adding Performance Commitment. In view of relevant policies issued by the central government and Hubei Province to control the epidemic and promote the resumption of work and production as well as the substantial impact on toll service of Wujing, in order to promote the sustainable development of Wujing and safeguard the interest of the listed company and shareholders, the following Supplementary Agreement on Profit Compensation Agreement for Equity Transfer of Hubei Wujing Freeway Development Co., Ltd. (hereinafter referred to as the Supplementary Agreement) was made by and between the Company and SDHS: after the estimated reduction of toll dues by RMB 28.4902 million according to existing policies in 2020 and 2021 when COVID-19 has the most serious impact, resulting in a decrease in net profit of RMB 17.4596 million, if the accumulated net profit actually realized by the target enterprise in the 4-year period after completion of this transaction (including the year of this transaction, excluding 2020, that is, in 2018, 2019 and 2021) did not reach the accumulated net profit (RMB 999.4424 million) of the three fiscal years calculated according to the Evaluation Report (net of the impact of expected reduction of toll dues by RMB 28.4902 million according to the existing policy in 2021, resulting in reduction of net profit by RMB 17.4596 million, the same below), Party A (SDHS) will make compensation to Party B (Company), except in case of force majeure or any significant change to national toll road laws and policies. Such adjustment and additional commitment need to be examined and approved by the General Meeting of the Company. Independent directors expressed their independent opinions of consent to this adjustment. For details, please refer to the Announcement on Adjusting the Subsidiary's Performance Commitment Period and Additional Performance Commitments (Announcement No.: 2021-019) disclosed by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on the same day.

(III) Performance undertaking completion and its influence on goodwill impairment test

Applicable Not applicable

III. Fund Embezzlement and Default Clear-up Progress during the Report Period

Applicable Not applicable

IV. Explanations of "Modified Auditor's Report" issued by Accountants Firm

Applicable Not applicable

V. Analysis and Explanations of Changes in and Influences from Accounting Policies and Estimates, or Reasons for and Influences from Correcting Major Accounting Errors

(I) Analysis and Explanations of Changes in and Influences from Accounting Policies and Estimates

Applicable Not applicable

The Ministry of Finance promulgated the revised Accounting Standards for Enterprises No.14—Revenues in 2017. The Company has implemented the above standards since January 1, 2020, and made corresponding adjustments to the financial statements on January 1, 2020 in accordance with the provisions on convergence of the above standards.

(II) Analysis and Explanations of Reasons for and Influences from Correcting Major Accounting Errors

Applicable Not applicable

(III) Communications with the Former Accountant Firm

Applicable Not applicable

(IV) Other explanations

Applicable Not applicable

VI. Appointment and Dismissal of Accountant Firms

Unit: yuan Currency: CNY

	Current appointment
Name of domestic accountant firm	Shinewing Certified Public Accountants (Special Partnership)
Remuneration of domestic accountant firm	678,900
Audit term of domestic accountant firm	5

	Name	Remuneration
Accountant Firm for internal control audit	Shinewing Certified Public Accountants (Special Partnership)	200,000

Explanation of appointment and dismissal of accountant firms

Applicable Not applicable

On April 22, 2020, the 48st meeting of the Fifth Board of Directors of the Company reviewed and approved the Pre-plan to Reappoint ShineWing Certified Public Accountants (Special General Partnership) as the Domestic Audit Agency for 2020, and the meeting agreed to reappoint ShineWing Certified Public Accountants (Special General Partnership) as the domestic audit agency for 2020, and submitted the proposal to the Shareholders' Meeting for approval.

On June 23, 2020, the Shareholders' Meeting of 2019 passed the Proposal to Reappoint ShineWing Certified Public Accountants (Special General Partnership) as the Domestic Audit Agency for 2020, and agreed to reappoint ShineWing Certified Public Accountants (Special General Partnership) as the domestic audit agency for 2020.

Explanations of change of appointment of accountant firms during the audit period

Applicable Not applicable

VII. Risks of Suspension of Going Public

(I) Reasons for Suspension of Going Public

Applicable Not applicable

(II) Intended Countermeasures

Applicable Not applicable

VIII. Situations of and Reasons for Delisting

Applicable Not applicable

IX. Matters Relating to Bankruptcy Restructuring

Applicable Not applicable

X. Material Litigation and Arbitration

The Company was involved in any material litigation or arbitration in the year The Company was not involved in any material litigation or arbitration in the year

(I) Litigation or arbitration having been disclosed in interim announcements and having no follow-up development

Applicable Not applicable

(II) Litigation or arbitration having not been disclosed in interim announcements or having follow-up development

Applicable Not applicable

Within the report period:									
Prosecutor (Applicant)	Responding Party (Respondent)	Party bearing joint and several liabilities	Type of litigation (Not applicable)	Basic profile of litigation (arbitration)	Amount of Litigation (Arbitration)	Whether such litigation (arbitration) has formed anticipation liabilities and amounts	Progress of litigation (arbitration)	Outcome of litigation (arbitration) and influence from such outcome	Execution of Judgment of Litigation (Arbitration)
Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.	Shenzhen Fengchuan Trade Co., Ltd., Shenzhen Litianjun Supply Chain Co., Ltd., and Shenzhen Zhongmanli Trade Co. Ltd.	Shenzhen Haimin Industrial Co., Ltd., Wu Ying, Shenzhen Kenxin Group Co., Ltd.	Civil actions	Shenzhen Company took a legal action to Shandong Province Higher People's Court as it failed to recover multiple receivables when it conducted trade cooperation with Shenzhen Kenxin Group Co., Ltd. and its ownership units of Shenzhen Fengchuan Trade Co., Ltd., Shenzhen Litianjun Supply Chain Co., Ltd., and Shenzhen Zhongmanli Trade Co. Ltd.	68,035.68	No	A mediation has been reached, and a Paper of Civil Mediation has been received.	Has been settled by mediation. The parties concerned should repay all the debts by December 31, 2018.	The parties concerned failed to perform the mediation agreement as scheduled. Shenzhen Company has applied for compulsory execution to Shandong Province Higher People's Court. In November, 2019, the request of opposition to execution made by persons not involved in the case Shandong Province Higher People's Court was rejected; in early January, 2020, the appeal for opposition to execution made by persons not involved in

								<p>the case Shandong Province Higher People's Court was officially accepted. of which, Li Tianjun's Case was heard in the first instance on May 28, 2020; in mid-June 2020, the Company received a civil judgment of the first instance, ruling to reject the outsider's claim; on June 28, received an appeal from the outsider; after the case was transferred to the Supreme People's Court, the case was filed in the second instance on October 23, 2020; on January 25, 2021, the Company received a notice of responding to the second instance and a court summons. It is scheduled</p>
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									<p>to hold a court on April 7, 2021. The Fengchuan g and Zhongmanli Cases were heard in the first instance on July 23, 2020; in late September 2020, the Company received a civil judgment of the first instance, ruling to reject the outsider's claim, and received an appeal petition from the outsider in early October 2020; after the announcement of judgment result for a period of 60 days for the third party expired in early January 2021, both cases were handed over to the Supreme People's Court through the internal circulation procedure of the court.</p>
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(III) Other instructions

Applicable Not applicable

XI. Punishment and Rectification of Listed Companies, their Directors, Supervisors, Senior Executives, Controlling Shareholders, Actual Controllers and Acquirers

Applicable Not applicable

XII. Explanations of Integrity of the Company, its Controlling Shareholders and Actual Controller during the Report Period

Applicable Not applicable

After referring to National Enterprise Credit Information Publicity System, Shandong Hi-Speed Group Co., Ltd., the controlling shareholder of the Company, is in good faith without illegal or administrative punishment record.

XIII. Details and Explanations of Equity Incentive Plan, and Employee Stock Ownership Plan, or Other Employee Incentive Measures**(I) Incentive matters having been disclosed in interim announcements without any change in follow-up implementation**

Applicable Not applicable

Overview of Events	Search Index
Release of Shandong Hi-speed Stock Option Incentive Plan (Draft) (Draft)	See the <i>Shandong Hi-speed Company Limited Stock Option Incentive Plan (Draft)</i> disclosed by the Company on the website of Shanghai Stock Exchange on March 7, 2020.
Revision of Shandong Hi-speed Stock Option Incentive Plan (Draft)	See the <i>Shandong Hi-speed Company Limited Stock Option Incentive Plan (Revised Draft)</i> disclosed by the Company on the website of Shanghai Stock Exchange on May 29, 2020.
The first granting date of the Company's stock option incentive plan is June 29, 2020, and 43.2 million stock options have been granted to 206 incentive objects with the exercise price of 4.34 yuan per share.	See the <i>Announcement of Shandong Hi-speed Company Limited on the First Granting of Stock Options to Incentive Objects</i> (announcement No.: L 2020-036) disclosed on the website of Shanghai Stock Exchange on June 30, 2020: Lin 2020-036.
The exercise price of the Company's stock option is adjusted from RMB 4.34 per share to RMB 3.96.	See the Announcement (No. P.2020-042) of <i>Shandong Hi-Speed Co., Ltd. on Adjusting the Exercise Price of Stock Option</i> disclosed by the Company on the website of Shanghai Stock Exchange on July 30, 2020 for detail.
The registration of the first grant of the Company's stock option incentive plan is completed.	See the Announcement (No. P.2020-045) of Shandong Expressway Co., Ltd. on <i>Completion of Registration of First Grant of Stock Option Incentive Plan</i> disclosed by the Company on the website of Shanghai Stock Exchange on August 12, 2020 for detail.
the Company has granted 4,663,700 stock options to 34 incentive objects and the reserved grant date is March 30, 2021.	See the Announcement (No. Pro 2021-021) on <i>Granting Reserved Stock Options to Incentive Objects</i> disclosed by the Company on the website of Shanghai Stock Exchange on March 31, 2021 for detail.

(II) Incentive matters having not been disclosed in interim announcements or having follow-up development

Equity incentive

Applicable Not applicable

Other statements

Applicable Not applicable

Employee stock ownership plan

Applicable Not applicable

Other incentive measures

Applicable Not applicable

XIV. Material Connected Transactions

(I) Connected transactions related to day-to-day operations

1. Events disclosed in interim announcements without subsequent development or changes during implementation

Applicable Not applicable

Overview of Events	Search Index
<p>(1) On December 9, 2016, the 82th meeting (interim) of the Fourth Board of Directors of the Company reviewed and approved the Proposal to Sign <i>Supplemental Agreement on Asset Entrustment Management</i>, and the meeting decided that the Company would sign <i>Supplemental Agreement on Asset Entrustment Management with Shandong Hi-Speed Group</i> and agree to extend the validity of the original <i>Agreement on Asset Entrustment Management (Yantai-Haiyang Expressway, and Linyi-Zaozhuang Expressway)</i> and <i>Agreement on Asset Entrustment Management (Heze-Guanzhuang Expressway and other assets)</i> till December 31, 2017; besides extending the contract validity, the Company would continue performing related contents in the original <i>Agreement on Asset Entrustment Management (Yantai-Haiyang Expressway, and Linyi-Zaozhuang Expressway)</i> and <i>Agreement on Asset Entrustment Management (Heze-Guanzhuang Expressway and other assets)</i>.</p> <p>(2) The 20th meeting (interim) of the Fifth Board of Directors of the Company held on June 1, 2018, and the first extraordinary shareholders' meeting on June 2, 2018 reviewed and approved the Pre-plan to Sign <i>Agreement on Asset Entrustment Management (Tai'an-Qufu and Qufu-Zhangshanzi Sections of Beijing-Taibei Expressway, Qihe-Xiajin Section of Qingdao-Yinchuan Expressway, Connecting Line of Weiri Expressway)</i>, the Pre-plan to Sign <i>Agreement on Asset Entrustment Management (Yantai-Haiyang Expressway)</i>, the Pre-plan to Sign <i>Agreement on Asset Entrustment Management (Heze-Guanzhuang Expressway, North Line of Qingdao-Yinchuan Expressway Circling Jinan)</i>, and the Pre-plan to Sign <i>Agreement on Asset Entrustment Management (Zaozhuang-Linyi Expressway)</i>, and the meetings agreed that the Company and Hi-Speed Group should continue implementing the Supplemental Agreement on Asset Entrustment Management signed in 2016 from January 1, 2018 to December 31, 2018. From April 1, 2018 to December 31, 2018, the Company signed the <i>Agreement on Asset Entrustment Management (Tai'an-Qufu and Qufu-Zhangshanzi Sections of Beijing-Taibei Expressway, Qihe-Xiajin Section of Qingdao-Yinchuan Expressway, Connecting Line of Weiri Expressway)</i> with Hi-Speed Group for managing the assets of Tai'an-Qufu and Qufu-Zhangshanzi Sections of Beijing-Taibei Expressway, Qihe-Xiajin Section of Qingdao-Yinchuan Expressway, Connecting Line of Weiri Expressway; Shandong Hi-Speed Road Operation and Management Co., Ltd., the wholly-owned subsidiary of the Company, signed the <i>Agreement on Asset Entrustment Management (Yantai-Haiyang Expressway)</i> with Hi-Speed Group for managing assets of Yantai-Haiyang Expressway; the Company signed the <i>Agreement on Asset Entrustment Management (Heze-Guanzhuang Expressway, North Line of Qingdao-Yinchuan Expressway Circling Jinan)</i> with Shandong Hi-Speed Road Development Co., Ltd., the wholly-owned subsidiary of Hi-Speed Group, for managing the assets of Heze-Guanzhuang Expressway, North Line of Qingdao-Yinchuan Expressway Circling Jinan; Shandong Hi-Speed Road Operation Management Co., Ltd., the wholly-owned subsidiary of the Company, signed the <i>Agreement on Asset Entrustment Management (Zaozhuang-Linyi Expressway)</i> with Shandong Hi-Speed Road Development Co., Ltd., the wholly-owned subsidiary of Hi-Speed Group, for managing the assets of Zaozhuang-Linyi Expressway.</p>	<p>The detailed information is available in the <i>Announcement on Day-to-day Connected Transactions of Shandong Hi-Speed</i> with announcement No. of Lin 2016-062 on December 10, 2016 and <i>Announcement on Day-to-day Connected Transactions of Shandong Hi-Speed</i> with announcement No. of Lin 2018-024 on June 2, 2018 disclosed in the website of Shanghai Stock Exchange.</p>

2. Events disclosed in interim announcements with subsequent development or changes during implementation

Applicable Not applicable

On October 25, 2018, the 27th meeting (interim) of the Fifth Board of Directors of the Company reviewed and approved the Proposal for Signing *Entrustment Agreement on Operation Management (Juancheng-Heze Expressway) with Shandong Juanhe Expressway Co., Ltd.*, the Proposal for Signing *Entrustment Agreement on Operation Management (Longkou-Qingdao Expressway) with Shandong Hi-Speed Longqing Expressway*

Co., Ltd., and the Proposal for Signing *Entrustment Agreement on Operation Management (Weifang-Rizhao Expressway) with Shandong Hi-Speed Weiri Expressway Co., Ltd.* The Company signed entrustment Agreements on Operation Managements with Shandong Juanhe Expressway Co., Ltd., Shandong Hi-Speed Longqing Expressway Co., Ltd., and Shandong Hi-Speed Weiri Expressway Co., Ltd. (hereinafter collectively referred to as the "project companies"), which are wholly-owned or controlled subsidiaries of the Company's controlling shareholder Hi-Speed Group, for respective entrusted management of Juancheng-Heze Expressway, Longkou-Qingdao Expressway and Weifang-Rizhao Expressway, with the entrustment cost of 203,159,100 yuan in 2020.

On December 30, 2019, the Company signed entrustment agreements on operation managements with Shandong Hi-speed Gaoguang Highway Co., Ltd., Shandong Hi-Speed Taidong Highway Co., Ltd., and Shandong Hi-speed Linzao-Zaomu Highway Co., Ltd. (hereinafter collectively referred to as the "project companies"), which are controlled subsidiaries of Hi-Speed Group, for respective entrusted management of Gaoqing-Guangrao Expressway, Tai'an-Dongping Expressway, and Linyi-Zaozhuang-Mushi Expressway, with the entrustment cost of 96,788,100 yuan in 2020.

Whereas, the controlling shareholder of Shandong Juanhe Expressway Co., Ltd., Shandong Hi-Speed Taidong Highway Co., Ltd., Shandong Hi-Speed Linzao-Zaomu Highway Co., Ltd., and Shandong Hi-Speed Longqing Expressway Co., Ltd. has been changed from Hi-Speed Group to Shandong Hi-Speed Construction Management Group Co., Ltd., the wholly-owned subsidiary of Hi-Speed Group; Shandong Hi-Speed Weiri Expressway Co., Ltd., and Shandong Hi-Speed Gaoguang Highway Co., Ltd. have been managed by the Construction Management Group under the entrustment of Hi-Speed Group. On May 27, 2020, the 2nd meeting of the Sixth Board of Directors of the Company reviewed and approved the Proposal for Signing the *Operation Management Entrustment Agreement*. It was agreed in the meeting that the Company, together with Construction Management Group and companies held by it or under its management including Shandong Hi-speed Gaoguang Highway Co., Ltd., Shandong Hi-Speed Taidong Highway Co., Ltd., Shandong Hi-speed Linzao-Zaomu Highway Co., Ltd., Shandong Juanhe Expressway Co., Ltd., Shandong Hi-Speed Longqing Expressway Co., Ltd., and Shandong Hi-Speed Weiri Expressway Co., Ltd., jointly signed the Entrustment Agreement on Operation Management. The total entrusted management cost is 299,947,200 yuan in 2020, and the trusteeship period is one year. The cost to be shared by the project companies is determined by Construction Management Group in coordination with the project companies, and Construction Management Group is jointly and severally liable for the expenses required to be paid by the project companies. The detailed information is available in the *Announcements of Shandong Hi-Speed on Signing ETC Service Agreement and Day-to-day Connected Transactions* disclosed on May 29, 2020 (Announcement No.: Lin 2020-024).

3. Matters not disclosed in interim announcements

√ Applicable □ Not applicable

Unit: Ten thousand yuan Currency: CNY

Connected transaction parties	Affiliation Relationship	Type of connected transactions	Content of connected transactions	Connected transaction pricing principles	Affiliate Transaction Price	Affiliate Transaction Amount
Shandong Hi-Speed Engineering Detection Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	SDHS 2020-2022 Highway Technical Condition Inspection and Bridge and Tunnel Health Monitoring Project (including Scientific Research)	Public bidding	3,884.07	3,884.07
Shandong Hi-Speed Engineering Detection Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Contract Agreement for SDHS 2020-2022 Highway Technical Condition Inspection and Bridge and Tunnel Health Monitoring (including Scientific Research) Project (Wujing)	Public bidding	1,641.83	1,641.83

Shandong Hi-Speed Engineering Detection Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Special inspection (delivery acceptance quality inspection) contract for the reconstruction and expansion project of Dezhou (Provincial Boundary of Shandong and Hebei)-Qihe Section of Beijing-Taibei Expressway	Public bidding	287.12	287.12
Shandong Hi-Speed Engineering Detection Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Contract Agreement of SDHS 2020-2022 Highway Technical Condition Inspection and Bridge and Tunnel Health Monitoring Project (including Scientific Research) (Hengshao Asset held by SDHS Co., Ltd.)	Public bidding	537.80	537.80
Shandong Hi-Speed Engineering Detection Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Investigation and Evaluation of Existing Highway in Reconstruction and Expansion Project of Jinan-Tai'an Section of Beijing-Taibei Expressway	Public bidding	528.42	528.42
Shandong Hi-Speed Engineering Detection Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Construction Agreement of Bridge Sensor Construction Project of Jiyuan Jijin Expressway Co., Ltd.	Public bidding	279.60	279.60
Shandong Hi-Speed Engineering Consulting Co., Ltd.	Wholly owned subsidiary of the parent company	Receive Labor service	Supplementary Contract Agreement for Supervision of Special Maintenance Project (2020) of SDHS for 2019-2020	Public bidding	1,017.40	1,017.40
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	EPC Contract for Existing Housing Infrastructure Reconstruction and Upgrading Project along Jinan-Qingdao Expressway	Public bidding	4,315.90	4,315.90
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	EPC Contract for Existing Housing Infrastructure Reconstruction and Upgrading Project along Jinan-Qingdao Expressway	Public bidding	3,081.94	3,081.94
Shandong Hi-Speed Information	Controlling subsidiaries	Purchase goods	SDHS 2020 Mechanical and	Public bidding	2,434.48	2,434.48

Engineering Co., Ltd.	of the parent company		Electrical Equipment Purchase Contract (the Joint Stock Company)			
Shandong Hi-Speed Information Engineering Co., Ltd.	Controlling subsidiaries of the parent company	Purchase goods	Mechanical and Electrical Equipment Purchase Contract of Deqi Section of Beijing-Taibei Expressway	Public bidding	10,329.64	10,329.64
Shandong Hi-Speed Information Engineering Co., Ltd.	Controlling subsidiaries of the parent company	Purchase goods	Equipment purchase contract for 2020 electromechanical engineering project of Shandong Hi-Speed	Public bidding	7,179.82	7,179.82
Shandong Hi-Speed Information Engineering Co., Ltd.	Controlling subsidiaries of the parent company	Purchase goods	Equipment purchase contract for 2020 electromechanical engineering project of Shandong Hi-Speed (Beijing-Taibei)	Public bidding	314.75	314.75
Shandong Hi-Speed Information Engineering Co., Ltd.	Controlling subsidiaries of the parent company	Purchase goods	Equipment purchase contract for 2020 electromechanical engineering project of Shandong Hi-Speed (Beijing-Taibei)	Public bidding	426.12	426.12
Shandong Hi-Speed Information Engineering Co., Ltd.	Controlling subsidiaries of the parent company	Purchase goods	Mechanical and Electrical Equipment Purchase Contract for SDHS Project of Canceling Provincial Toll Stations	Public bidding	527.63	527.63
Shandong Hi-Speed Information Engineering Co., Ltd.	Controlling subsidiaries of the parent company	Purchase goods	SDHS 2020 Mechanical and Electrical Engineering Project Contract (Equipment Package)	Public bidding	936.60	936.60
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	SDHS 2020 Minor Repair and Maintenance Project (Xiajin Transportation Management Center) Construction Contract, Construction Safety Production Contract and Construction Integrity Contract	Public bidding	2,183.76	2,183.76
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	SDHS 2020 Minor Repair and Maintenance Project (Beijing-Taibei Expressway Jinan Transportation Management Center) Construction Contract, Safety Production	Public bidding	1,765.42	1,765.42

			Contract and Integrity Contract			
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Contract Agreement for SDHS 2020 Minor Repair and Maintenance Project (Linyi Transportation Management Center Section)	Public bidding	1,099.13	1,099.13
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Contract of SDHS 2020 Minor Repair and Maintenance Project (Beijing-Shanghai Line Jinan Transportation Management Center)	Public bidding	1,980.54	1,980.54
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	SDHS 2020 Minor Repair and Maintenance Project (Weifang Transportation Management Center) Construction Contract, Safety Production Contract and Integrity Contract	Public bidding	1,191.56	1,191.56
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Construction contract for 2020 annual routine maintenance project (Weifang-Laiwu Operation Management Center) of Shandong Hi-Speed	Public bidding	1,695.75	1,695.75
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	SDHS 2020 Minor Repair and Maintenance Project (Yantai Transportation Management Center) Construction Contract, Safety Production Contract and Integrity Contract	Public bidding	1,186.80	1,186.80
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Construction contract for 2020 annual routine maintenance project (Hengyang-Shaoyang Section in Hunan) of Shandong Hi-Speed	Public bidding	1,077.66	1,077.66
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Construction and safety contracts for 2020 annual routine maintenance project (Zibo Operation Management Center) of Shandong Hi-Speed	Public bidding	743.13	743.13
Shandong Hi-Speed Road &	Controlling subsidiaries	Receive Labor	SDHS 2020 Minor Repair and	Public bidding	845.32	845.32

Bridge Maintenance Co., Ltd.	of the parent company	service	Maintenance Project (Qingdao Transportation Management Center) Construction Contract and Safety Production Contract			
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	SDHS 2020 Minor Repair and Maintenance Project (Heze Transportation Management Center GSFZ He-Guan Section) (Contract Agreement)	Public bidding	985.79	985.79
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Contract Agreement for SDHS 2020 Minor Repair and Maintenance Project (KG XU-YU Section)	Public bidding	323.56	323.56
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Contract Agreement for SDHS 2019~2020 Minor Repair and Maintenance Project (KG JI-JIN Section)	Public bidding	308.72	308.72
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Contract Agreement for SDHS 2020 Minor Repair and Maintenance Project (JTZ XU-BO Section)	Public Bidding	907.92	907.92
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Contract Agreement for Maintenance and Reinforcement Project of K133+630 Fanjiashan Interchange Main Line Bridge of Heng-Shao Expressway	Public bidding	977.09	977.09
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Minor Repair and Maintenance Contract	Public bidding	576.59	576.59
Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	Wholly owned subsidiary of the parent company	Receive Labor service	Two-stage Survey and Design Contract for Reconstruction and Expansion Project of Jinan-Tai'an Section of Beijing-Taibei Expressway	Public bidding	5,445.30	5,445.30
Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	Wholly owned subsidiary of the parent company	Receive Labor service	Contract for Preparation of Feasibility Study Report and Related Special Report of Reconstruction and	Public bidding	737.00	737.00

			Expansion Project of Qihe-Jinan Section of Beijing-Taibei Expressway			
Shandong Luqiao Group Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	General contracting project for design and construction of 2019-2020 special maintenance and repair works of Shandong Hi-Speed - Supplementary agreement (2020)	Public bidding	48,556.69	48,556.69
Shandong Luqiao Group Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Contract for Package I of Housing Construction of Dezhou (Shandong-Hebei Boundary)-Qihe Section Reconstruction and Expansion Project of Beijing-Taibei Expressway	Public bidding	22,034.79	22,034.79
Shandong Luqiao Group Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Supplementary Contract Agreement for Engineering and Construction of Special Maintenance Project of Shandong Expressway for 2019-2020	Public bidding	2,234.68	2,234.68
Shandong Luqiao Group Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	General contracting project for design and construction of 2019-2020 special maintenance and repair works of Shandong Hi-Speed - Supplementary agreement for 2020 JT (Z) Xuchang-Bozhou Section	Public bidding	3,990.87	3,990.87
Shandong Luqiao Group Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	General contracting project for design and construction of 2019-2020 special maintenance and repair works of Shandong Hi-Speed - Supplementary agreement (2020)	Public bidding	2,219.00	2,219.00
Shandong Luqiao Group Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	General contracting project for design and construction of 2019-2020 special maintenance and repair works of Shandong Hi-Speed - Supplementary agreement for KG Hubei Wuhan-Jingmen assets (2020)	Public bidding	5,215.15	5,215.15

Shandong Luqiao Group Co., Ltd.	Controlling subsidiaries of the parent company	Receive Labor service	Supplementary Additional Contract Agreement for Engineering and Construction of Special Maintenance Project (2020) of Shandong Expressway for 2019-2020	Public bidding	512.64	512.64
Total				/	/	146,517.98
Details of large sales returns	None					
Explanations of connected transactions	The above-mentioned affiliate transactions are all carried out through public bidding, so it is not inevitable and continuous for affiliates to win the bid in the Company's public bidding. The foregoing affiliate transactions have no influence on the independency of the Company					

(II) Connected transactions in respect of acquisition and sales of assets

1. Events disclosed in interim announcements without subsequent development or changes during implementation

Applicable Not applicable

Overview of Events	Search Index
On June 14, 2020, upon deliberation and approval by the second extraordinary shareholders' meeting of the Company in 2020, it was agreed that the Company acquire 51% equity of Shandong Hi-Speed Rail Transit Group Co., Ltd. held by Shandong Hi-Speed Group Co., Ltd., the controlling shareholder of the Company, for RMB 3.487 billion.	See the Announcement (No. P.2020-023) of <i>Shandong Hi-Speed Co., Ltd. on Acquisition of 51% Equity of Shandong Hi-Speed Rail Transit Group Co., Ltd. and Connection Transactions</i> disclosed by the Company on the website of Shanghai Stock Exchange on May 29, 2020 for detail.

2. Events disclosed in interim announcements with subsequent development or changes during implementation

Applicable Not applicable

3. Matters not disclosed in interim announcements

Applicable Not applicable

4. Performance realization which should be disclosed during the report period concerning performance agreement

Applicable Not applicable

In 2018, the Company acquired 60% of equity of Hubei Wujing Freeway Development Co., Ltd held by Shandong Hi-Speed Group, and Shandong Hi-Speed Group has made an undertaking on the profit forecast and compensation of Wujing Company from 2018 to 2020 that where the actual accumulated net profit amount of Wujing Company from 2018 to 2020 failed to reach CNY960,554,869.89 (SAY: nine hundred and sixty million, five hundred and fifty four thousand, eight hundred and sixty nine point eight nine Yun), the accumulated net profit amount of the three fiscal years as calculated in the assessment reports, Shandong Hi-Speed Group would compensate the company for 60% of the balance in cash, except for force majeure or major changes to national toll road laws and policies

At present, it is during the period of performing the foregoing undertaking. As audited by ShineWing CPA Firm (Special General Partnership), Wujing fulfilled cumulative net profit of RMB 728.9268 million in 2018-2020 and achieved 76.22% of the cumulative net profit of RMB 960.5549 million committed by SDHS for the 3 fiscal years.

(III) Material connected transactions relating to joint external investment

1. Events disclosed in interim announcements without subsequent development or changes during implementation

Applicable Not applicable

2. Events disclosed in interim announcements with subsequent development or changes during implementation√ Applicable Not applicable

On December 13, 2019, the 43rd meeting (interim) of the Fifth Board of Directors of the Company reviewed and approved the Proposal to Acquire 80% of Equity of Luzhou Southeast Expressway Development Co., Ltd., and the meeting agreed that the Company, together with Sichuan Company, the wholly-owned subsidiary of Hi-Speed Group, acquired 100% of equity of Luzhou Company at the total acquisition price of 1.84 billion Yuan, where: the Company acquired 80% of equity at the acquisition price of 1.472 billion Yuan, and Sichuan Company acquired the remaining 20% at the acquisition price of 368 million Yuan. The detailed information is available in the Announcement of Shandong Hi-Speed on Acquisition of 80% of Equity of Luzhou Southeast Expressway Development Co., Ltd. and Connected Transaction disclosed on December 14, 2018 in the website of Shanghai Stock Exchange, with the announcement No. of Lin 2019-056. On December 31, 2019, the Company signed Agreement on Transfer of Share of Luzhou Southeast Expressway Development Co., Ltd. with Bosideng Co., Ltd., Shandong Kangbo Industrial Co., Ltd. and SDHS Sichuan Industrial Development Co., Ltd. with condition for entry-into-force. On January 13, 2021, Lu-Yu Company completed the registration of change with the industrial and commercial administration and was incorporated in the consolidated statement of the Company, and had no impact on the Company's performance in 2020.

3. Matters not disclosed in interim announcements Applicable √ Not applicable**(IV) Creditor's rights and debts between the Company and related parties****1. Events disclosed in interim announcements without subsequent development or changes during implementation** Applicable √ Not applicable**2. Events disclosed in interim announcements with subsequent development or changes during implementation** Applicable √ Not applicable**3. Matters not disclosed in interim announcements** Applicable √ Not applicable**(V) Other** Applicable √ Not applicable**XV. Material Contracts and Performance Thereof****(I) Trusteeship, contracting and leasing****1. Trusteeship**√ Applicable Not applicable

During the reporting period, the custody of the Company has been disclosed in the "Connected Transactions Related to Daily Operations" Section.

2. Contracting Applicable √ Not applicable**3. Rental** Applicable √ Not applicable**(II) Guarantees**√ Applicable Not applicable

External guarantees of the Company (excluding guarantees to subsidiaries)													
Guarantor	Relation between guarantor and listed companies	Guaranteed Party	Guarantee Amount	Date of guarantee (date of agreement signing)	Starting Date of Guarantee	Due Date of Guarantee	Guarantee Type	Whether the Guarantee Has Been Fulfilled or Not	Whether the guarantee is overdue	Guarantee amount overdue	Is there counter guarantee	Whether guarantee is for affiliates	Affiliation Relationship
Guarantee amount sum during the report period (excluding guarantee to subsidiaries)													
Guarantee amount balance at the end of the report period (A) (excluding guarantee to subsidiaries)													
Guarantee of the Company to its subsidiaries or its subsidiaries to other ones													
Guarantee amount sum to subsidiaries during the reporting period				752,000,000									
Guarantee amount balance at the end of the report period (B) (excluding guarantee to subsidiaries)				1,480,000,000									
External guarantees of the Company (excluding guarantees to subsidiaries)													
Total amount of security (A + B)				1,480,000,000									
Proportion of total amount of guarantee to the Company's net assets (%)				4.07									
Including:													
The amount of guarantee provided for shareholders, actual controllers and their affiliated parties (C)				0									
The amount of debt guarantee provided directly or indirectly for the guaranteed object with the ratio of liabilities to assets exceeding 70% (D)				275,000,000									
The amount of the total amount of guarantee exceeding 50% of the net assets (E)				0									
Total amount of the above three guarantee amounts (C + D + E)				275,000,000									
Description of possible joint and several liability for unexpired guarantee				None									
Description of guarantee				<p>(1) The 18th meeting of the Fifth Board of Directors of the Company held on March 30, 2018 reviewed and approved the Proposal for Making up the Difference for the Shares of the Proposed Limited Partnership, and agreed to bear the obligations to repurchase and make up the difference for the expected investment revenue and actual capital contribution during the investment period for No. 21 Tongda collective fund trust plan of Hwabao Trust, the limited partnership of proposed Jinan Changying Jintai No. 1 Partnership (hereinafter referred to as "No. 21 Tongda") and No. 22 Tongda collective fund trust plan of Hwabao Trust, the limited partnership of Jinan Changying Jintai No. 2 Partnership (hereinafter referred to as "No. 22 Tongda"), with a total amount of not exceeding 6.75 billion yuan. The event has been reviewed and approved at shareholder's meeting of 2017 held on April 20, 2018. The detailed information is available in the Announcement on Establishing Limited Partnerships for Making up Balances disclosed on March 31, 2018 (Announcement No.: L 2018-012). As of December 31, 2020, the</p>									

	<p>Company has not provided guarantee.</p> <p>(2) The 24th meeting of the 5th board of directors of the Company (provisionally) on August 14, 2018 passed the Proposal on loan guarantee for Shandong Hi-Speed Henan Development Co., Ltd., and agreed that the Company provided guarantee for Henan Company's application for a M&A loan of 523 million yuan from Industrial and Commercial Bank of China Co., Ltd., Zhengzhou Shangdu Road Branch for the acquisition of 90% of equities of Jiyuan Jijin High Speed Co., Ltd.; the guarantee should be joint and several liability guarantee, and the guarantee period should be two years after the expiration of the debt performance period stipulated in the debt master contract. The detailed information is available in the Announcement of Shandong Hi-Speed on Providing Loan Guarantee to Its Wholly-owned Subsidiary of Shandong Hi-Speed Henan Development Co., Ltd disclosed on August 15, 2018 (Announcement No.:Lin 2018-042). The company has signed the Guarantee Contract on August 24, 2018. During the reporting period, Henan Company had repaid part of the loan, and the actual guarantee balance was 453 million yuan.</p> <p>(3) The 28th meeting (provisional) of the 5th board of directors of the Company On December 5, 2018 deliberate and passed the Plan on Shandong Hi-Speed Henan Development Co., Ltd. Providing Existing Loan Guarantee for Jiyuan Jijin High Speed Co., Ltd., and agreed that the wholly-owned subsidiary of the Company Henan Company provided guarantees for the 320 million yuan existing loan of its holding subsidiary Jijin Company from the business department of Jiyuan Branch of Industrial and Commercial Bank of China Co., Ltd.; the guarantee should be joint and several liability guarantee, and the guarantee period should be two years after the expiration of the loan term under the Fixed Asset Supporting Financing Loan Contract signed by Jijin Company on June 30, 2015. The matter has been deliberated and passed by the 2018 Fourth Extraordinary General Meeting of Shareholders held on December 21, 2018. The detailed information is available in the Announcement of Shandong Hi-Speed on Agreeing Its Wholly-owned Subsidiary to Provide Accumulate Loan Guarantee to Its Holding Subsidiary disclosed on December 6, 2018 (Announcement No.:Lin 2018-063). Henan Company has signed the Guarantee Contract on March 15, 2019. Jijin Company had repaid part of the loan before signing the Guarantee Contract, so the actual amount of guarantee was 312.5 million yuan. Since Jijin Company repaid part of the loan in the reporting period, the guarantee balance changed to 275 million yuan.</p> <p>(4) The 22nd meeting of the 3rd board of directors of the Company on August 22, 2008 passed the Proposal on the Acquisition of 100% Equity of Shandong Hi-Speed Group Henan Xuyu Highway Co., Ltd., and agreed that the Company acquired 100% equity of Shandong Hi-Speed Group Henan Xuyu Highway Co., Ltd. from Shandong Property Rights Exchange Center at a listed price of 528 million yuan The matter has been deliberated and passed by the 2008 Second Extraordinary General Meeting of Shareholders held on September 9, 2008. In September 2008, the Company and Shandong High-speed Group signed the Ownership Transaction Contract. Article 5 of the contract stipulated that "the guarantee provided by the transferor for the long-term loan of the underlying enterprise shall be undertaken by the transferee along with the transfer of property rights; and the amount of guarantee undertaken by the transferee shall not exceed the actual amount of 950 million yuan". On August 7, 2020, the Company and China Construction Bank Corporation Xuchang Branch signed the Maximum Principal Guarantee Contract to provide guarantees of no more than 720 million yuan for the long-term loans of Xuyu Company in China Construction Bank Xuchang Branch. The contract was extremely extreme. Part of the loan had already been repaid, so the actual amount of guarantee was 489 million yuan. As of December 31, 2020, the guarantee balance was 489 million yuan.</p> <p>(5) The 2nd meeting (provisional) of the 6th board of directors of the Company on May 27, 2020 reviewed and passed the proposal on the Acquisition of 51% of the shares of Shandong High Speed Rail Transit Group Co., Ltd. The matter has been deliberated and passed by the 2020 Second Extraordinary General Meeting of Shareholders held on June 13, 2020. At the time of equity acquisition, Shandong Hi-speed Rail Transit Group Co., Ltd. had a guarantee for a loan of RMB 263 million from the Minsheng Bank for Shandong Ruitong Logistics Co., Ltd., its holding subsidiary: on May 11, 2020, the tenth meeting of the Board of Directors of Shandong Hi-speed Rail Transit Group Co., Ltd. reviewed and approved the Proposal on Providing Loan Guarantee for Shandong Ruitong Logistics Co., Ltd., agreeing to provide guarantee for Ruitong Logistics' application for a loan of RMB 263 million from Jinan Branch of China Minsheng Bank Co., Ltd. by joint liability guarantee. As of December 31, 2020, the guarantee balance was 263 million yuan.</p> <p>To sum up, as of December 31, 2020, the Company and its holding subsidiaries</p>
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	have approved external guarantees with an accumulated amount of 8.576 billion Yuan, where the Company and its subsidiaries have approved guarantees with an accumulated amount of 1.480 billion Yuan to its subsidiaries, respectively accounting for 23.63% and 4.08% of the latest audited net asset value of the Company. During the reporting period, the actual amount of the Company's external guarantees was zero (excluding the Company's guarantees to subsidiaries), and the amount of guarantees to subsidiaries was 752 million yuan.
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(III) Entrusting others to manage cash assets

1. Entrusted financial management situation

(1) Overall situation of entrusted financial management

Applicable Not applicable

Other situations

Applicable Not applicable

(2) Individual entrusted financial management situation

Applicable Not applicable

Other situations

Applicable Not applicable

(3) Entrusted financial management impairment provision

Applicable Not applicable

2. Entrusted loan situation

(1) Overall situation of entrusted loans

Applicable Not applicable

Other situations

Applicable Not applicable

(2) Individual entrusted loan situation

Applicable Not applicable

Other situations

Applicable Not applicable

(3) Entrusted loan impairment provision

Applicable Not applicable

3. Other situations

Applicable Not applicable

(IV) Other major contracts

Applicable Not applicable

XVI. Explanations of Other Significant Events

Applicable Not applicable

XVII. Active Performance of Social Responsibilities

(I) Poverty alleviation work of listed companies

Applicable Not applicable

1. Targeted poverty alleviation plans

Applicable Not applicable

According to the unified deployment of the central government and Shandong provincial Party committee and the provincial government, the Company appointed "first secretary" to continue to carry out poverty alleviation work in Dali village, Yidukou, Lingcheng district, Dezhou city, as well as in Zhangzhuang administrative village and Niulou administrative village in Wudian Town, Mudan District, Heze City. They made assistance plans based on the strategy of targeted poverty recognition, alleviation and elimination:

First, they insisted on putting Party construction in the first place, and planning, deploying and boosting Party construction and poverty alleviation simultaneously, and did their utmost to assist the village committees in

replenishing the basic-level Party organization force, perfecting the basic-level Party organization systems, and giving full play to the role as fighting bastions of the basic-level Party organizations in poverty alleviation.

Second, they upheld the infrastructure construction. On the basis of soliciting opinions and suggestions from villagers, they researched and formulated rural construction plans by combining the higher-level government planning to improve agricultural production and irrigation water conditions and create modern beautiful villages, which laid a solid foundation for poverty alleviation.

Third, they insisted on doing a good job in epidemic prevention and control. According to the situation, they normalized epidemic prevention and control, and coordinated the work of epidemic prevention and control and economic development, to resolutely win the battle of poverty alleviation.

Fourth, we continued to do a good job of caring for poor households and old party members. We visited and expressed solicitude to them, and strengthened humanistic care, so as to continue to increase the cohesion and combat effectiveness of primary level Party organizations.

2. Summary of Annual Targeted Poverty Alleviation

Applicable Not applicable

In 2020, the Company appointed “first secretary” to focus on the following tasks in the village:

First, we give full play to the leading and guaranteeing role of Party building. In the forms of “three meetings and one lesson”, the theme party day, etc., the Company organized the Party members working in villages to deeply study Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirits of the 19th National Congress of the Communist Party of China and the 3rd, 4th and 5th Plenary Sessions of the 19th Central Committee, to continuously improve the political accomplishment and comprehensive quality of Party members and cadres. Also, the Company insisted on educating them to apply what they have learned to promote learning and transform scientific theories into the source of strength for decisive victory in poverty alleviation.

Second, they took targeted and differentiated measures to fight against poverty. In addition to the construction of poverty alleviation workshops in Zhangzhuang village and Zhuniulou village, the “first secretary” also constructed photovoltaic power generation projects in the villages to increase the village collective economic income and the guarantee capability for poor households; the “first secretary” working in Zhangzhuang village set up college entrance examination reward fund and youth entrepreneurship fund to support villagers’ entrepreneurship; the “first secretary” working in Niulou village actively supported the characteristic industry-Yimao Flower and Agriculture Cooperative, and gave full play to the leading role of industry demonstrations, which provided 7 jobs for poor households and reached an annual output value of more than 2.1 million Yuan, making the village a well-known “rose village”. By combining the pandemic prevention and control situation and resumption of work and production, the “first secretary” working in Dali village continued to implement the farmland irrigation transformation and poverty alleviation project, which improved the irrigation conditions of the village and solved the difficulties in water supply and irrigation for the villagers.

Third, we comprehensively promoted the construction of beautiful villages. Based on the actual situation of the villages, the “first secretary” working in Zhangzhuang village and Niulou village applied for assistance funds for dilapidated houses renovation for poor households, village cultural center renovation, village-level party building facilities improvement and village lighting and beautification projects, and deeply promoted the “down to all households” project, which effectively improved the living environment of the villagers, enriched the cultural life of the residents and enhanced the happiness of the villagers.

Fourth, we steadily carried out pandemic prevention and control work. When the coronavirus prevention materials were in short supply at the early stage of the coronavirus, the “first secretaries” working in each village actively contacted the manufacturers to purchase disinfectant, and distributed it to villagers, especially poor villagers, for free. They also guide the villagers to disinfect courtyards and houses, and improved village-level disinfection ability, so as to ensure the implementation of coronavirus prevention and control work.

Fifth, we insisted on visit activities on major festivals. During the New Year’s Day, Spring Festival, and July 1st, we visited the poor households, and delivered them daily necessities, which sent our care to the needy people. The first secretary of Dali village sent clean and heart-warming coal to 22 families, which promptly solved their “coal shortage”.

3. Targeted poverty alleviation achievements

Applicable Not applicable

Unit: yuan Currency: CNY

Index	Quantity and Progress
I. Overall Situation	
Where: 1. Funds	122
2. Funds converted from materials	0.468
3. Assistance in establishing archives for the impoverished population for getting rid of poverty (Persons)	234
II. Sub-project Investment	
1. Poverty elimination by fostering industries	
Includes: 1.1 Types of industrial poverty alleviation projects	<input checked="" type="checkbox"/> Poverty alleviation in agriculture and forestry industry <input type="checkbox"/> Poverty alleviation through tourism <input type="checkbox"/> Poverty alleviation through E-commerce <input type="checkbox"/> Poverty alleviation through asset income <input type="checkbox"/> Poverty alleviation through technology <input checked="" type="checkbox"/> Others
1.2 Number of industrial poverty alleviation projects(nos)	3
1.3 Amount of investment in industrial poverty alleviation projects	107.468
1.4 Assistance in establishing archives for the impoverished population for getting rid of poverty (Persons)	234
2. Poverty elimination by transferring labor force	
Includes: 2.1 Amount of investment in vocational skills training	10
2.2 Number of employment from poor households that are assisted in registering (person)	7
3. Poverty elimination by strengthening education	
Includes: 3.1 Amount of funding for poor students	5
III. Award (Content and level)	
The "First Secretary" work team of Mudan District, Heze city appointed by Shandong Hi-Speed Co., Ltd. was awarded the National Advanced Group for Poverty Alleviation	

4. Subsequent targeted poverty alleviation plans

√ Applicable □ Not applicable

The year of 2021 is the first year of the “14th Five-Year Plan” and also the 100th anniversary of the founding of the Communist Party of China. The company will adhere to the guidance of Xi Jinping thought on socialism with Chinese characteristics in the new era, and in accordance with the deployment requirements of the central government, provincial and higher-level Party committees, take party building, policy guidance, industrial assistance, infrastructure transformation, normalized coronavirus prevention and control, and improvement of the quality of rural human settlements into consideration when further increase efforts to assist rural revitalization, so as to continue to consolidate the results of poverty alleviation.

(II) Social responsibility work

√ Applicable □ Not applicable

For details of the Company’s social responsibility work, please refer to the 2020 Social Responsibility Report and Environmental, Social and Governance Report of Shandong H-speed Co., Ltd. disclosed on the Shanghai Stock Exchange website (www.sse.com.cn) on March 31, 2021.

(III) Environmental information

1. Information about the environmental protection situation of companies and their important subsidiaries that are key pollutant discharge units announced by the environmental protection department

√ Applicable □ Not applicable

(1) Pollution discharge

√ Applicable □ Not applicable

a. Wastewater discharge

Name of company or subsidiary	Pollutant discharging item	Name of major pollutants	Discharging way	Discharge outlet distribution	Pollutant discharge standards executed	Excessive discharge
Shandong H-speed Environmental Technology Co., Ltd.	Hanting District Sewage Treatment Plant	Chemical oxygen demand (COD)	Organized and continuous	Main water outlet	Class 1 Standard A≤50mg/L in Table 1, <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant</i> (GB18918-2002)	None
		Biochemical oxygen demand_5)	Organized and continuous	Main water outlet	Class 1 Standard A≤10mg/L in Table 1, <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant</i> (GB18918-2002)	None
		Suspended matter (SS)	Organized and continuous	Main water outlet	Class 1 Standard A≤10mg/L in Table 1, <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant</i> (GB18918-2002)	None
		Ammonia nitrogen (NH ₃ -N) (calculated by N)	Organized and continuous	Main water outlet	Class 1 Standard A≤5mg/L in Table 1, <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant</i> (GB18918-2002)	None
		Total nitrogen (N)	Organized and continuous	Main water outlet	Class 1 Standard A≤15mg/L in Table 1, <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant</i> (GB18918-2002)	None
		Total phosphorus	Organized and	Main water outlet	Class 1 Standard A≤0.5mg/L in Table 1, <i>Discharge Standard of</i>	None

	(P)	continuous		<i>Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)</i>	
	Animal and vegetable oil	Organized and continuous	Main water outlet	Class 1 Standard A≤1mg/L in Table 1, <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)</i>	None
	Oils	Organized and continuous	Main water outlet	Class 1 Standard A≤1mg/L in Table 1, <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)</i>	None
	PH value	Organized and continuous	Main water outlet	Class 1 Standard A 69 in Table 1, <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)</i>	Normal
	Number of fecal coliforms (number/L)	Organized and continuous	Main water outlet	Class 1 Standard A 103 in Table 1, <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)</i>	None

Shandong Hi-Speed Environmental Protection Science and Technology Co., Ltd. has a discharge outlet in which an automatic online monitoring device is installed and connected with environmental protection supervision departments at the district, municipal, provincial and national levels, and centralized discharges processed sewage continuously.

In 2020, the cumulative emission of chemical oxygen demand (COD) was 153 tons, with a reduction rate of 96.56%; the cumulative emission of ammonia nitrogen (NH₃-N) was 3.21 tons, with a reduction rate of 99.04%; the total emission of phosphorus was 0.522 tons, and the total nitrogen emission was 77.8 tons, all meeting the standard requirements.

b. Exhaust emission

Name of company or subsidiary	Pollutant discharging item	Name of major pollutants	Discharging way	Pollutant discharge standards executed	Excessive discharge
Shandong Hi-speed Environmental Technology Co., Ltd.	Hanting District Sewage Treatment Plant	Ammonia	Organized	Class 1 Standard 1.0mg/m ³ in Table 4, <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)</i>	None
		Sulfuretted hydrogen (H ₂ S)	Organized	Class 1 Standard 0.03mg/m ³ in Table 4, <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)</i>	None
		Odor concentration (Dimensionless)	Organized	Class 1 Standard 10mg/m ³ in Table 4, <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)</i>	None
		Methane (the highest volume concentration in the plant area is 0%)	Organized	Class 1 Standard 0.5mg/m ³ in Table 4, <i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)</i>	None

c. Sludge discharge

In order to ensure that the sludge produced by Shandong Hi-Speed Environmental Technology Co., Ltd. can

be disposed in a “safe, stable, and up-to-standard” way by following the principles of “stabilization, harmlessness, reduction, resource utilization, and marketization” and the requirements of “green, recycling, and low-carbon”. In accordance with relevant laws, regulations and relevant provisions stipulated in Sludge Treatment Service Agreement for the Harmless Treatment of Sludge from Weifang Sewage Plant”, the Company signed a tripartite agreement with Weifang United Environmental Protection Technology Co., Ltd. and Weifang Hanting District Comprehensive Administrative Law Enforcement Bureau. According to the agreement, Weifang United Environmental Protection Technology Co., Ltd. is entrusted to provide high-quality, continuous, efficient and safe sludge treatment and disposal services; the Comprehensive Administrative Law Enforcement Bureau of Hanting District is responsible for corresponding supervision and management.

In 2020, Shandong Hi-Speed Environmental Protection Science and Technology Co., Ltd. disposed sludges in a timely manner, meeting the requirements of the local environmental protection supervisory authorities.

(2) Construction and operation of pollution prevention and control facilities

Applicable Not applicable

a. Wastewater treatment

Shandong Hi-Speed Environmental Protection Technology Co., Ltd. is mainly responsible for treating municipal sewage of Hanting district. The current design treatment capacity is 25,000 m³/d. In 2020, the actual daily treatment capacity was 26,800 m³/d, and it covered a total area of 29.43 acres. Sewage treatment process: municipal sewage pipe network—inlet well—coarse grid—sewage pump room—fine grid—cyclone grit tank—distribution well—AAO tank—secondary sedimentation tank—high-density sedimentation tank—filter cloth filter tank—UV disinfection tank—Zhuohe River. The quality of effluent water complies with the first class A standard of *Discharge standard of pollutants for municipal wastewater treatment plant* (GB18918-2002).

b. Exhaust gas treatment

Centralized collection, treatment and emission techniques are adopted. Induced draft fans are used to collect exhaust gas in a centralized manner, and the collected exhaust gas is emitted after centralized treatment in biological deodorization tower.

Exhaust gas treatment facilities are in good operation condition, are qualified in corresponding detection, and meet the emission requirements of *Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant* (GB18918-2002).

(3) Assessment of environmental influence from construction projects and other administrative licensing for environmental protection

Applicable Not applicable

All in-progress and completed projects of Shandong Expressway Environmental Protection Technology Co., Ltd. have implemented the “three simultaneous” work of environmental protection according to the requirements of relevant national laws and regulations. All projects have undergone environmental impact assessment as required and obtained approval from the environmental protection department. Meanwhile, the Company has successfully applied for franchise license and pollutant discharge license according to regulations.

Franchise license number: WZJSP (2019) Sewage No. 3001, valid from September 8, 2019 to September 7, 2022.

Pollutant discharge permit No.: 91370703680660976K001Y, valid from June 28, 2019 to June 27, 2022.

(4) Contingency plan for environmental emergencies

Applicable Not applicable

To establish and perfect the environmental pollution event contingency mechanism, effectively prevent and reduce environmental emergencies, carry out emergency disposal of environmental emergencies rapidly and scientifically, enhance the capacity for emergency management of abrupt environmental pollution accidents which involve public crisis, and prevent pollution from such environmental emergencies to public environment, Shandong Hi-Speed Environmental Protection Science and Technology Co., Ltd., in accordance with relevant national laws and regulations, by combining with its actual situations, and based on the principles of "prevention first, uniform leadership, classified management and tiered response", has prepared a corresponding contingency plan for environmental emergencies and filed to the local environmental protection authority (Filing No.: 370703-2018-095-L).

Shandong Hi-speed Environmental Protection Technology Co., Ltd. regularly carries out the training on the

emergency plan and evaluation of the training contents and methods. According to the requirements of the plan, Shandong Hi-speed Environmental Protection Technology Co., Ltd. shall organize emergency drill at least once a year to improve the ability of the enterprise to deal with sudden environmental pollution accidents and effectively prevent and control the occurrence of environmental pollution accidents.

(5) Environment self-monitoring scheme

Applicable Not applicable

Shandong Hi-Speed Environmental Protection Technology Co., Ltd. installed its own monitoring system such as online monitoring to monitor wastewater discharge in real time; entrusted qualified environmental inspection agencies to conduct monthly routine inspections on the quality of incoming and outgoing water; entrusted qualified environmental testing agencies to conduct quarterly inspections on wastewater and waste gas in the plant; formulated an annual self-monitoring plan and submitted it to the Environmental Protection Agency for record; regularly filled in the self-inspection information entry system of national key monitoring enterprises, self-monitoring plan and annual report.

(6) Other environmental information that shall be disclosed

Applicable Not applicable

2. Information about the environmental protection situation of companies other than the key pollutant discharge units

Applicable Not applicable

3. Explanation of the reasons why companies other than key pollutant emission units did not disclose environmental information

Applicable Not applicable

4. Explanation of the follow-up progress or changes in the environmental information content disclosed during the reporting period

Applicable Not applicable

(IV) Other explanations

Applicable Not applicable

XVIII Convertible corporate bonds

Applicable Not applicable

Chapter VI Changes in common shares and shareholders

I.Changes in ordinary share capital.

(I) Table of changes in common shares

1.Changes in ordinary share capital.

Within the reporting period, there was no change in the total number of ordinary shares and the share capital structure of the company.

2.Changes in ordinary share capital.

Applicable Not applicable

3.Impact of changes in ordinary shares on financial indicators such as earnings per share and net assets per share in the latest year and the latest period (if any)

Applicable Not applicable

4. Other content that the Company deems necessary or required by the securities regulatory agency to disclose

Applicable Not applicable

(II) Changes in restricted shares

Applicable Not applicable

II.Issuance and listing of securities.

(I) Issuance of securities as of the Reporting Period

Applicable Not applicable

(II) Notes on the issuance of securities up to the reporting period (for bonds with different interest rates in the duration, please explain separately):

Applicable Not applicable

(III) Changes in total number of common shares and shareholder structure of the company and changes in structure of assets and liabilities of the company

Applicable Not applicable

Existing staff-held shares Applicable NOT APPLICABLE

III.Condition of shareholders and actual controllers.

(I) Total number of shareholders

Total number of common shareholders at the end of the Reporting Period	42,420
Total number of common shareholders at the prior month-end before the disclosure date of the annual report	43,273
Total number of preferred shareholders whose voting rights have been restored as of the end of the reporting period (household)	0
Total number of preferred shareholders whose voting rights are restored at the end of the previous month before the disclosure date of the annual report	0

(II) Shareholdings of the top ten shareholders and top ten circulating shareholders (or non-restricted shareholders) as of the Reporting Period

Information of shares held by top ten shareholders							
Shareholder Name (full name)	Increase/decrease during the Reporting Period	Number of shares held at the end of the period	(%)	Number of shares held with trading limited conditions	Pledge or freezing status		Property of shareholders
					Status of shares	Quantities	
Shandong Hi-Speed Group Co., Ltd.	0	2,870,656,188	59.67	0	Pledged	977,000,000	State-owned legal person
China Merchants Expressway Network & Technology Holdings Co., Ltd.	12,870,034	783,613,507	16.29	0	None		Others
Shandong Hi-Speed Group - China International Capital Corporation Limited – 17 SDHS EB guarantee and trust property specific account	0	540,970,671	11.24	0	None		Others
Bosera Funds Management Co., Ltd. - social security fund 16,011 portfolio	52,000,021	52,000,021	1.08	0	None		Others
National Social Security Fund 108 Portfolio	47,121,609	47,121,609	0.98	0	None		Others
China Merchants Bank Co., Ltd. - Shanghai Stock Exchange dividend traded open-ended index securities investment fund	17,830,200	27,435,800	0.57	0	None		Others
Bosera value growth securities investment fund	23,337,002	23,337,002	0.49	0	None		Others
Hong Kong Securities Clearing Company Ltd.	-12,236,329	22,941,373	0.48	0	None		Others
Industrial and Commercial Bank of China – Bosera researched & selected one-year holding period flexible allocation hybrid securities investment fund	21,300,000	21,300,000	0.44	0	None		Others
China Construction Bank Co., Ltd. –	14,799,155	14,799,155	0.31	0	None		Others

Penghua value advantage securities investment fund (LOF) hybrid fund							
Information of shares held by top ten shareholders without trading limited conditions							
Shareholder Name	Number of marketable shares held without trading limited conditions	Type and number of shares					
		Variety	Quantities				
Shandong Hi-Speed Group Co., Ltd.	2,870,656,188	Common stock (CNY)	2,870,656,188				
China Merchants Expressway Network & Technology Holdings Co., Ltd.	783,613,507	Common stock (CNY)	783,613,507				
Shandong Hi-Speed Group - China International Capital Corporation Limited – 17 SDHS EB guarantee and trust property specific account	540,970,671	Common stock (CNY)	540,970,671				
Bosera Funds Management Co., Ltd. - social security fund 16,011 portfolio	52,000,021	Common stock (CNY)	52,000,021				
National Social Security Fund 108 Portfolio	47,121,609	Common stock (CNY)	47,121,609				
China Merchants Bank Co., Ltd. - Shanghai Stock Exchange dividend traded open-ended index securities investment fund	27,435,800	Common stock (CNY)	27,435,800				
Bosera value growth securities investment fund	23,337,002	Common stock (CNY)	23,337,002				
Hong Kong Securities Clearing Company Ltd.	22,941,373	Common stock (CNY)	22,941,373				
Industrial and Commercial Bank of China – Bosera researched & selected one-year holding period flexible allocation hybrid securities investment fund	21,300,000	Common stock (CNY)	21,300,000				
China Construction Bank Co., Ltd. – Penghua value advantage hybrid securities investment fund (LOF)	14,799,155	Common stock (CNY)	14,799,155				
Descriptions for related relationship or acting in concert of shareholders	The company does not know whether there is related relationship or belong to the concerted action relationship stipulated in the Measures for the Administration of Acquisition of Listed Companies among the above shareholders.						
Descriptions for preference shareholders whose voting rights is resumed and number of preference shares held	None						

Note: in order to issue exchangeable corporate bonds, Shandong Hi-speed Group Co., Ltd., the controlling shareholder of the company, pledged 540,970,774 shares held to the special account of Shandong Hi-speed Group-CICC-17 shangao EB guarantee and trust property, but it is not the reduction of major shareholders. The aforesaid bonds have entered the conversion period on April 26, 2018, and the conversion period begins on April 26, 2018 and ends on April 23, 2022. As of the end of the reporting period, the number of shares held by Shandong Hi-speed Group-CICC-17 shangao EB guarantee and trust property special account was 540,970,671 shares.

Number of shares held by the top ten shareholders with limited sales conditions and restrictions on sales

Applicable Not applicable

(III) Strategic investors or general legal persons becoming the top 10 shareholders due to placing of new shares

Applicable Not applicable

IV. Controlling shareholders and actual controllers.

(I) Information of controlling shareholders

1 Legal persons

Applicable Not applicable

Name	Shandong Hi-Speed Group Co., Ltd.
Person in charge or legal representative	Zou Qingzhong
Date of establishment	July 2, 1997
Main business	Construction, management, maintenance, operation, development, and toll collection of expressways, bridges, railways, ports and airports; comprehensive development, management, logistics and related supporting services of supporting resources along highways, bridges, and railways; investment in the financial industry and asset management (approved by relevant departments); design, consulting, scientific research, and construction of civil engineering and communication engineering; sales of building materials; leasing of machinery and equipment; advertising business. General business items: automotive towing, rescue and obstacle clearing services; tendering and bidding agency services; leasing of land use right; non-residential real estate leasing; mechanical equipment leasing; parking lot services; manufacturing of new building materials (excluding hazardous chemicals); research and development of emerging energy technologies; and application system integration services for artificial intelligence industry (except for the items that are subject to approval according to law, and the business activities shall be independently carried out according to law with business licenses). Licensed business items: highway management and maintenance; construction project supervision; general aviation services; and various engineering construction activities (for the items that are subject to approval according to law, the business activities can only be carried out after approval by relevant departments. And the specific business items shall be subject to the examination and approval result).
Equity of other domestic and foreign listed holding and participating companies in the report period	As of the end of this Reporting Period, Shandong Hi-Speed Group Co., Ltd. holds 55.82% equity of Shandong Luqiao (000498.SZ), 43.42% of China Shandong Hi-Speed Financial Group (00412.HK), 44.12% of Qilu Expressway (1576.HK), 4.53% of Bohai Ferry (603167.SH) and 48.67% of Weihai Bank (9677.HK).
Other situations	None

2 Natural person

Applicable Not applicable

3 The special statement that the Company does not have a controlling shareholder

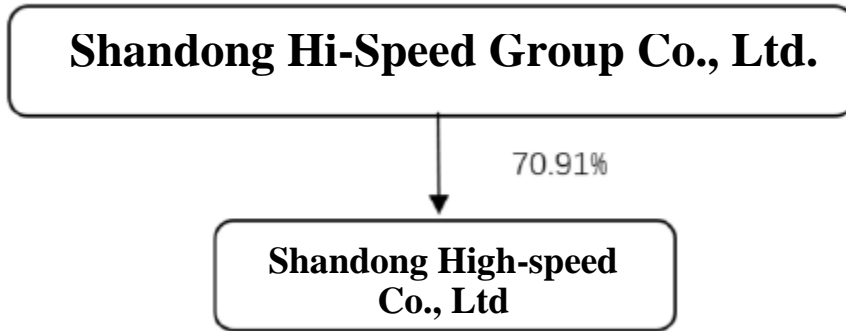
Applicable Not applicable

4 Index and date of changes of controlling shareholders during the Reporting Period

Applicable Not applicable

5 Block diagram of the ownership and control relationship between the Company and the controlling shareholder

√ Applicable Not applicable



(II) Information of actual controller

1 Legal persons

Applicable Not applicable

The State Owned Assets Supervision and Administration Committee of Shandong People's Government, Shandong Guohui Investment Co., Ltd. and Shandong Social Security Fund Council respectively hold 70%, 20% and 10% shares of Shandong Hi-speed Group Co., Ltd. Meanwhile, the State Owned Assets Supervision and Administration Committee of Shandong People's Government also holds 100% shares of Shandong Guohui Investment Co., Ltd.

2 Natural person

Applicable Not applicable

3 The Company does not have a special statement of the actual controller

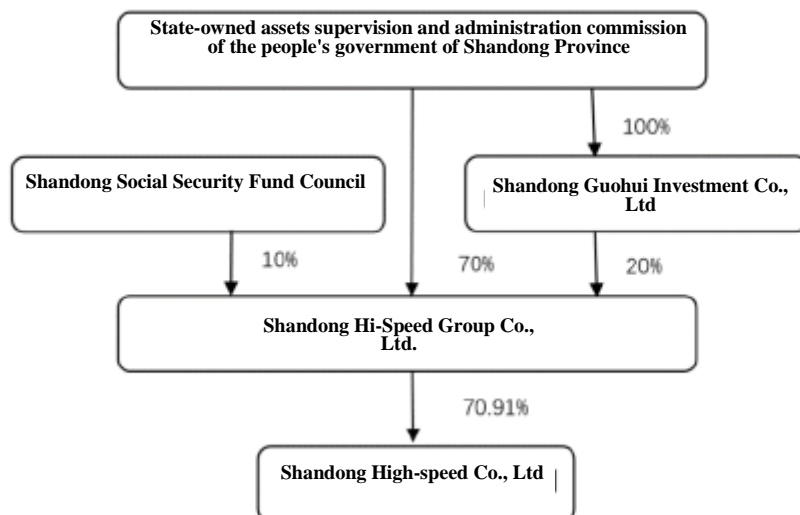
Applicable Not applicable

4 Index and date of changes of actual controller during the Reporting Period

Applicable Not applicable

5 Block diagram of the ownership and control relationship between the Company and the actual controller

√ Applicable Not applicable



6 The actual controller controls the Company through a trust or other asset management methods

Applicable Not applicable

(III) Other information about the controlling shareholder and actual controller

Applicable Not applicable

V.Other legal person shareholders with more than 10% shares.√ Applicable Not applicable

Unit: yuan Currency: CNY

Name of legal person shareholder	Person in charge or legal representative	Date of establishment	Organization code	Registered capital	Main business or management activities, etc
China Merchants Expressway Network & Technology Holdings Co., Ltd.	Wang Xiufeng	12/18/1993	91110000101717000C	6,178,217,338	Investment, development, construction and operating management of infrastructures of highways, bridges, wharfs, ports and waterways; investment management; development and research of new technologies, new products and new materials for transportation infrastructure, as well as sales of products; sales of building materials, mechanical and electrical equipment, automobiles and accessories, hardware & electric materials, daily necessities; economic information consultation; and talent training. (Business requiring government approval according to law can only be carried out when such approval from relevant department is obtained)
Explanations	None				

VI.Description of share restriction reduction. Applicable Not applicable

Chapter VII Preference shares

Applicable Not applicable

Chapter VIII Information about Directors, Supervisors, Senior Management and Employees

I. Changes in shareholding and remuneration.

(I) Changes in shareholding and remuneration of current and outgoing directors, supervisors and senior management at the Reporting Period

√ Applicable □ Not applicable

Unit: shares

Name	Position (Note)	Gender	Age	Start date of the service term	End of term	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Shares increased or decreased during the year	Reasons for increase or decrease	Total pretax remuneration received from the company in the reporting period (10,000 yuan)	Is there any remuneration from related parties of the company?
Sai Zhiyi	Chairman	Male	51	May 11, 2020	May 10, 2023	0	0	0	-	0.00	Yes
Han Daojun	Deputy Director	Male	58	May 11, 2020	May 10, 2023	0	0	0		10.00	Yes
Lv Sizhong	Vice chairman and general manager	Male	56	May 11, 2020	May 10, 2023	0	0	0		98.53	No
Zhang Xiaobing	Director	Female	51	May 11, 2020	May 10, 2023	0	0	0		77.22	No
Meng Jie	Director	Male	43	May 11, 2020	May 10, 2023	0	0	0		10.00	Yes
Liang Zhanhai	Director	Male	53	May 11, 2020	May 10, 2023	0	0	0		0.00	Yes
Sui Rongchang	Directors and secretary of board of directors	Male	46	May 11, 2020	May 10, 2023	0	0	0		76.54	No
Fan Yuejin	Independent Director	Male	62	May 11, 2020	May 10, 2023	0	0	0		10.00	No
Liu Jianwen	Independent Director	Male	61	May 11, 2020	May 10, 2023	0	0	0		10.00	No
Wei Jian	Independent Director	Male	52	May 11, 2020	May 10, 2023	0	0	0		10.00	No
Wang Hui	Independent Director	Male	50	May 11, 2020	May 10, 2023	0	0	0		10.00	No

Yin Jijun	Chairman of the board of supervisors	Male	55	January 22, 2021	May 10, 2023	0	0	0		84.26	No
Yin Jijun	Supervisor	Male	55	May 11, 2020	May 10, 2023	0	0	0		0.00	No
Liu Jingwei	Supervisor	Male	30	May 11, 2020	May 10, 2023	0	0	0		10.00	Yes
Lin Leqing	Supervisor	Male	57	May 11, 2020	May 10, 2023	0	0	0		10.00	No
Chen Fang	Employee Supervisor	Female	39	March 4, 2020	May 10, 2023	0	0	0		54.73	No
Zhu Yuqiang	Employee Supervisor	Male	42	March 4, 2020	May 10, 2023	0	0	0		27.68	No
Zhang Jun	Deputy General Manager	Male	48	May 11, 2020	May 10, 2023	0	0	0		77.43	No
Kang Jian	Deputy General Manager	Male	51	May 11, 2020	May 10, 2023	0	0	0		66.29	No
Chang Zhihong	Deputy General Manager	Male	46	May 11, 2020	May 10, 2023	0	0	0		69.03	No
Hou Fujin	Deputy General Manager	Male	47	May 11, 2020	May 10, 2023	0	0	0		32.32	No
Sun Jiarong	Chief engineer	Male	57	May 11, 2020	May 10, 2023	0	0	0		81.23	No
Zhou Liang	Chief accountant	Male	49	May 11, 2020	May 10, 2023	0	0	0		72.85	No
Li Hang	Director	Male	50	December 26, 2016	May 11, 2020	0	0	0		0.00	Yes
Yin Jijun	Director	Male	55	December 26, 2016	May 11, 2020	0	0	0		0.00	No
Wei Shirong	Independent Director	Male	56	December 26, 2016	May 11, 2020	0	0	0		0.00	No
Wang Feng	Independent Director	Female	47	December 26, 2016	May 11, 2020	0	0	0		0.00	No
Luo Chuliang	Chairman of the board of supervisors	Male	58	December 26, 2016	May 11, 2020	0	0	0		94.58	No
Sun Xu	Supervisor	Male	34	December 26, 2016	May 11, 2020	0	0	0		0.00	Yes

Zhang Yiren	Employee Supervisor	Male	61	December 26, 2016	March 4, 2020	0	0	0		24.80	No
Wang Xiaolei	Employee Supervisor	Female	41	December 26, 2016	March 4, 2020	0	0	0		73.13	No
Sun Jiarong	Deputy General Manager	Male	57	December 26, 2016	April 1, 2020	0	0	0		0.00	No
Zhang Xiaobing	Deputy General Manager	Female	51	December 26, 2016	April 2, 2020	0	0	0		0.00	No
Total	/	/	/	/	/	0	0	0	/	1,090.62	/

Name	Main working experiences
Sai Zhiyi	From February 1996 to October 2009, he successively served as deputy section level cadre of Weihai Branch of Industrial and Commercial Bank of China, director of Credit Department of Weihai Cooperative Bank, President of Shidao branch of Weihai Commercial Bank, President of Shuntong branch of Weihai Commercial Bank, Vice President of Weihai Commercial Bank, Party committee member and President of Jinan Branch; from October 2009 to may 2011, he served as the General Manager of Shandong Re-guarantee Group Co., Ltd; Vice Director, President and Deputy Secretary of the Party Committee of Weihai Commercial Bank from May 2011 to June 2017; Vice Director, General Manager and Deputy Secretary of CPC of the 5th board of directors of the company from June 2017 to July 2018; member of the Party Committee and Deputy General Manager of Shandong Hi-speed Group Co., Ltd. from September 2017 to July 2020; Executive Director of Shandong Hi-speed Group Co., Ltd. from July 2020 to the end of this report period; Director (legal representative) of the 5th and 6th board of directors and Secretary of the Party Committee from August 2018 to the end of this report period.
Han Daojun	From March 2010 to October 2016, he served as the General Manager and member of the Party Committee of Chongqing Communications Research and Design Institute Co., Ltd. of China Merchants. From August 2016 to September 2020, he served as Executive Deputy General Manager of China Merchants Expressway Network & Technology Holdings Co., Ltd., and from September 2020 to the end of this report period, he served as Senior Consultant of China Merchants Expressway Network & Technology Holdings Co., Ltd. He also served as Vice President of Guangxi Wuzhou Communications Co., Ltd. and Chongqing Chengyu Expressway Co., Ltd., Director of China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd., China Merchants Communications Information Technology Co., Ltd. and China Merchants Xinzhi Technology Co., Ltd., Executive Director and Deputy Secretary General of China Highway & Transportation Society; from December 2016 to the end of this report period, he served as Vice President of the 5th and 6th Board of Directors of the Company.
Lv Sizhong	From January 2002 to December 2005, he served as Director of Development Department of Shandong Expressway Co., Ltd.; from December 2005 to February 2012, he successively served as Vice President, General Manager, Deputy Secretary of CPC and Executive Director (legal representative) of Sichuan Leyi Highway Co., Ltd. of Shandong Hi-speed Group; from February 2012 to December 2012, he served as Secretary of Party Committee, Director and Deputy General Manager of Shandong Hi-speed Road&Bridge Group Co., Ltd.; from December 2012 to July 2018, he served as Secretary of Party Committee and Chairman of the Board of Supervisors of Shandong Hi-speed Road&Bridge Group Co., Ltd. From September 2017 to July 2020, he served as a member of the Party Committee of Shandong Hi-speed Group Co., Ltd.; from August 2018 to the end of this report period, he also served as the Director of the Construction Management Office of the reconstruction and expansion project of Jinan-Qingdao Expressway. From August 2018 to the end of this report period, he served as the Vice Director, General Manager and Deputy Secretary of the Party Committee of the 5th and 6th Board of Directors

	of the Company.
Zhang Xiaobing	From May 2002 to December 2006, he successively served as the Chief of Human Resources Section (Political Engineering Section) of Qingzhou Management Office of Shandong Infrastructure Construction Co., Ltd., Deputy Director of Management Office and member of General Party Branch; from December 2006 to February 2012, he successively served as Deputy Director of Qingzhou Management Office of Shandong Expressway Co., Ltd., Secretary of General Party Branch and Chairman of Trade Union of Weifang Branch, and General Party Branch Secretary, Chairman of Trade Union and Secretary of the Party Committee of Jinan Branch; from February 2012 to July 2014, he served as the General Manager and Deputy Secretary of the Party Committee of Jingtai Branch of Shandong Expressway Operation Management Co., Ltd.; from July 2014 to April 2020, he served as the member and Deputy General Manager of the Party Committee of Shandong Expressway Co., Ltd.; from January 2018 to September 2018, he also served as General Manager of Operation Division of Shandong Hi-speed Co., Ltd.; from May 2020 to the end of this report period, he served as the Director and Deputy Secretary of the Party Committee of the 6th Board of Directors of the Company.
Meng Jie	From October 2009 to November 2013, he served as the General Manager of Equity Management Department I of China Merchants Huajian Highway Investment Co., Ltd.; from November 2013 to January 2015, he served as the Deputy General Manager of Enterprise Management Department of China Merchants Huajian Highway Investment Co., Ltd.; from February 2015 to January 2016, he served as the Chief Analyst of China Merchants Huajian Highway Investment Co., Ltd.; from February 2016 to August 2016, served as the Chief Analyst of China Merchants Huajian Highway Investment Co., Ltd and General Manager of Capital Operation Department. From August 2016 to the end of this report, he served as the Chief Analyst and General Manager of Capital Operation Department (the Board Office) of China Merchants Expressway Network & Technology Holdings Co., Ltd. He also served as the Director of Henan Zhongyuan Expressway Co., Ltd., Heilongjiang Transportation Development Co., Ltd., Hyundai Investment Co., Ltd., Jiangsu Ningjingyan Expressway Co., Ltd.; from May 2016 to the end of this report period, he successively served as the director of the 4th and 5th and 6th Board of Directors of the Company.
Liang Zhanhai	From December 2002 to April 2004, he successively served as an employee and Senior Manager of Shandong Qilu Certified Public Accountants; from April 2004 to November 2007, he successively served as the employee and Manager of Financial Department of Shandong China Fluoro Chemical Technology Co., Ltd.; from November 2007 to January 2011, he served as the Director of Financial Audit Department of Shandong Local Railway Bureau; from January 2011 to the end of this report period, he successively served as the Deputy Director and Minister of Planning and Finance Department of Shandong Expressway Group Co., Ltd. as well as the Director of Shandong Hi-speed Basketball Club Co., Ltd., Chairman of the Board of Supervisors of Shandong Railway Development Fund Co., Ltd., member of the Party Committee and Chief Accountant of Lunan High-speed Railway Co., Ltd., Director of Shandong Hi-speed Group (Hong Kong) Co., Ltd. and Non-executive Director of China Shandong Hi-speed Financial Group Limited; from May 2020 to the end of this report period, he served as the Director of the 6th Board of Directors of the Company.
Sui Rongchang	From February 2007 to December 2007, he served as the Deputy Director of Jinan Yellow River Bridge Management Office and member of the General Party Branch of Shandong Expressway Co., Ltd.; from December 2007 to February 2012, he successively served as the Deputy Manager, member of the General Party Branch and member of the Party Committee of Jiqing South Line Branch Company; from February 2012 to July 2014, he served as the Deputy General Manager, member of the General Party Branch and Secretary of the Commission for Discipline Inspection of Jinan Shengbang Real Estate Co., Ltd; From July 2014 to October 2019, he served as the Office Director of the company. From December 2018 to the end of this report period, he served as the Secretary of the 5th and 6th Board of Directors of the Company; from May 2020 to the end of this report period, he served as the Director of the 6th Board of Directors of the Company.
Fan Yuejin	He is currently the Consultant of Qingdao University and the Honorary President of the Qingdao University Council; former Secretary of the Party Committee and President of Qingdao University as well as the Vice President of the China Society of Emerging Economies, the Honorary President of the Shandong Society of World Economics, and the President of Shandong Higher Education Management Science Research Association; from May 2020 to

	the end of this report period, he served as an independent director of the 6th Board of Directors of the Company.
Liu Jianwen	From July 1986 to December 1999, he successively served as teaching assistant, lecturer, associate professor, professor and doctoral supervisor of civil and commercial law in Law School of Wuhan University; from July 1999 to now, he served as professor of Law School of Peking University and doctoral supervisor of economic law major; a distinguished professor of Liaoning University and a distinguished professor of "Cheung Kong Scholars Programme" of Ministry of Education; from December 2016 to the end of this report period, he served as an independent director of the 5th and 6th Board of Directors of the Company.
Wei Jian	From August 2001 to August 2003, he was engaged in postdoctoral research in postdoctoral workstation of Guangfa Securities Co., Ltd. From July 2002 to January 2020, he worked in the Economic Research Institute of Shandong University; from July 2006 to July 2007, he visited the Law School of the University of Illinois for one year; from January 2020 to now, he worked in the Zhongtai Securities and Finance Research Institute of Shandong University. He is now the chief editor of Journal of Shandong University (Philosophy Society Edition), professor and doctoral supervisor of Zhongtai Securities and Finance Research Institute of Shandong University, New Century Excellent Talents of the Ministry of Education and special allowance expert of the State Council; from April 2019 to the end of this report period, he served as an independent director of the 5th and 6th Board of Directors of the Company.
Wang Hui	From January 1994 to April 2013, he served as the chairman of Shandong Huide Certified Public Accountants Co., Ltd. and Manager of CroweHorwath from January 2001 to December 2001; from April 2013 to now, he was the chief partner of Hexin Certified Public Accountants LLP; now he is the vice president of Shandong Institute of Certified Public Accountants and member of professional Steering Committee of China Institute of Certified Public Accountants; from May 2020 to the end of this report period, he served as an independent director of the 6th Board of Directors of the Company.
Yin Jijun	From July 2001 to April 2013, he successively served as the Deputy Director and Director of the Finance Department of the Highway Bureau of Shandong Provincial Department of Communications; from June 2013 to May 2020, he served as the Director, Deputy General Manager and member of the Party Committee of the 4th and 5th board of directors of the company; from June 2013 to August 2019, he served as the Chief Accountant of the Company; from March 2014 to March 2018, he also served as the Director of Shandong Environmental Protection Industry Co., Ltd.; from May 2014 to July 2018, he also served as director (legal representative) of Shandong Lijin Yellow River Road and Bridge Co., Ltd.; Director of Weihai Commercial Bank Co., Ltd. from November 2014 to the end of this report period; Director (legal representative) of Shandong Hi-speed Changying Equity Investment Management Co., Ltd. from September 2017 to March 2019; from May 2020 to January 2021, he was the supervisor and member of the Party Committee of the 6th Board of Supervisors of the Company; from January 2021 to now, he was the chairman and member of the Party Committee of the 6th Board of Supervisors of the Company.
Liu Jingwei	From March 2018 to the end of this report period, he served as the Manager of Capital Operation Department (Office of the Board of Directors) of China Merchants Expressway Network & Technology Holdings Co., Ltd. He also served as the supervisor of Henan Zhongyuan Expressway Co., Ltd. and Xiandai Touzi Co., Ltd.; from May 2020 to the end of this report period, he served as the supervisor of the 6th Board of Supervisors of the Company.
Lin Leqing	At present, he is a certified public accountant of Shandong Branch of Reanda Certified Public Accountants LLP. He once served as Director of Shandong Audit Office, Director of Shandong Provincial Audit Office, General Manager of Shandong Zhengyuan Hexin Certified Public Accountants. From April 2006 to December 2016, he was an independent director of the 3rd and 4th Board of Directors of the Company; from November 2008 to June 2016, he was an independent director of Zhonglei Certified Public Accountants Co., Ltd.; From December 2016 to the end of this report period, he served as the Supervisor of the 5th and 6th Board of Supervisors of the Company.
Chen Fang	From November 2007 to December 2019, he successively served as the staff and Deputy Manager of the Planning and Finance Department of the Company; from December 2019 to the end of this report period, he served as the Director of the Planning and Finance Department (Asset Management Office) of the Company; from March 2020 to the end of this report period, he was the employee supervisor of the 5th and 6th Board of Supervisors of the Company.

Zhu Yuqiang	From January 2008 to August 2011, he served as the Deputy Section Chief of the Toll Section of Jinan Branch of Shandong Hi-speed Group (Jingfu Jinan Branch); from August 2011 to August 2013, he successively served as the first Deputy Station Chief, Deputy Party Branch Secretary and Deputy Station Chief of the over-bridge toll station of Jinan Branch of Shandong Hi-speed Group; from August 2013 to August 2014, he served as the Party Branch Secretary and Station Chief of the over-bridge toll station of the Company's Jitai Branch; from August 2014 to August 2014, he was appointed as the first Deputy Station Chief, Deputy Party Branch Secretary and Deputy Station Chief of the over-bridge toll station of Jinan Branch of Shandong Hi-speed Group; from August 2014 to May 2016, he served as the Party Branch Secretary and Station Chief of over-bridge station of the Company's Jitai branch; from January 2018 to the end of this report period, he successively served as the Head of the Party Labor Force Section, member of the Party Committee, and Vice Chairman of the Trade Union of the Company's Jingtai Jinan Transportation Management Center; from March 2020 to the end of this report period, he served as the employee supervisor of the 5th and 6th Board of Supervisors of the Company.
Zhang Jun	He successively served as member of the Party Committee from July 2008 to December 2017; the deputy secretary of the Party Committee, Director, Deputy General Manager and Executive Deputy General Manager of Shandong Hi-speed Information Engineering Co., Ltd.; as member of the Party Committee, Secretary of the Discipline Inspection Commission and Chairman of the labor union of the company from December 2017 to December 2018; as the Deputy General Manager and member of the Party Committee of the company from December 2018 to the end of the reporting period.
Kang Jian	From October 2012 to June 2013, he served as Vice President (presided over the work) of Jinan Management Department of Jinan Branch of Industrial Bank; from June 2013 to April 2019, he served as member of the Party Committee and Vice President of Jinan Branch of Ping An Bank; from May 2019 to the end of this report period, he served as member of the Party Committee and Deputy General Manager of the Company.
Chang Zhihong	From February 2012 to September 2018, he served as Deputy Director of the Party Committee Working Department, Deputy Director of the Supervision Office and Secretary of the Youth League Committee of Shandong Hi-speed Group Co., Ltd.; from September 2018 to March 2019, he served as the Deputy Director of the Party Committee Organization Department and Secretary of the Youth League Committee of Shandong Hi-speed Group Co., Ltd.; from April 2019 to the end of this reporting period, he served as the member of the Party committee and Deputy General Manager of the company.
Hou Fujin	He once served as member of the Party Committee and Deputy General Manager of Shandong Hi-speed Construction Management Group Co., Ltd.; Chairman (legal representative) and General Manager of Shandong Hi-speed Jitai (LAI) Intercity Highway Company; Director and Party Branch Secretary of Construction Management Office of Tai'an-Zaozhuang reconstruction and expansion project of Jingtai Highway of Shandong Hi-speed Group Co., Ltd.; from May 2020 to the end of this report period, he served as Deputy General Manager and member of the Party Committee of the Company.
Sun Jiarong	From February 2000 to December 2006, he successively served as the principal and Manager of the Maintenance and Infrastructure Department of the company; from December 2006 to the end of this report period, he served as the Chief Engineer of the company; from July 2008 to the end of this report period, he served as the member of the Party committee of the Company; from March 2015 to the end of this report period, he also served as the Executive Deputy Director of the Construction Management Office of the reconstruction and expansion project of Jiqing Expressway; from February 2018 to the end of this report period, he also served as the director of the Management Office of reconstruction and expansion project of Deqi section of Jingtai Expressway. From February 2016 to May 2020, he served as the Company's Deputy General Manager; from May 2020 to the end of this report period, he served as the Company's Chief Engineer and member of the Party Committee.
Zhou Liang	From August 2009 to June 2013, he served as Deputy Manager of Planning and Finance Department of Shandong Hi-speed Co., Ltd., from June 2013 to March 2014, he served as the Manager of Audit Department of Shandong Hi-speed Co., Ltd., from March 2014 to June 2016, he served as the Chief Financial Officer and Manager of Finance Department of Shandong Hi-speed Optical Control Industry Fund Management Co., Ltd.; from June 2016 to August 2019, he served as the Deputy Chief Accountant and Manager of Planning and Finance Department of Shandong Hi-speed Co., Ltd.; from June 2018 to the end of this report period, he concurrently served as the Director of Shandong Expressway Development Co., Ltd.; from April 2019 to the end of this report period, he concurrently served as the Director of Dongxing Securities Co., Ltd.; from March 2020 to the end of this report period, he

	concurrently served as the Director of Shandong Hi-speed Changying Equity Investment Management Co., Ltd.; from April 2020 to the end of this report period, he concurrently served as the Director of Shandong Hi-speed Speed Chain Cloud Technology Co., Ltd.; since January 2021, he has also served as the Director of Shandong Hi-speed Property Service Development Group Co., Ltd.; from August 2019 to the end of this report period, he served as member of the Party Committee and Chief Accountant of the Company.
Li Hang	From December 2007 to the end of this report period, he successively served as the Deputy Director of the Finance Department, Director, Chief Accountant, Standing Committee Member of the Party Committee, Director and Deputy General Manager of Shandong Hi-speed Group Co., Ltd.; from December 2007 to the end of this report period, he concurrently served as the Director of Weihai Commercial Bank Co., Ltd.; from October 2016 to April 2019, he concurrently served as the Chairman of the board of Directors and Secretary of the Party Committee of China Shandong Hi-speed Financial Group Co., Ltd.; from April 2006 to May 2020, he successively served as the 3rd, 4th and 5th Board Director of the Company.
Wei Shirong	At present, he is served as the senior partner of Beijing Dacheng Law Firm, leader of Global and China transportation and infrastructure industry Group of Dacheng DENTONS International Law Firm, member of Capital Market Professional Committee and Financial Professional Committee of Dacheng Law Firm, legal expert of PPP Expert Bank of National Development and Reform Commission, part-time professor of Shandong University for political science and laws, and the independent director of the 5th and 6th Board of Directors from December 2016 to May 202.
Wang Feng	He is currently a partner of Union Power Certified Public Accountants (LLP); he is also a member of the Professional Technology and Continuing Education Committee of Beijing Institute of Certified Public Accountants; from December 2016 to May 2020, he served as an independent director of the 5th Board of Directors of the Company.
Luo Chuliang	From November 1999 to December 2006, he served as the Director and Deputy General Manager of the company; from December 2006 to February 2012, he served as the Director, Executive Deputy General Manager and member of the Party committee; from February 2012 to March 2013, he served as the Secretary of the Party Committee and Deputy General Manager of Shandong Hi-speed Investment Holding Co., Ltd.; from March 2013 to February 2015, he served as the General Manager (legal representative) and Deputy Secretary of the Party Committee of Shandong Hi-speed Investment Holding Co., Ltd. From February 2015 to May 2020, he served as a member of the Party Committee of the Company and the Chairman of the 4th and 5th Board of Supervisors.
Sun Xu	From July 2009 to April 2012, he successively served as cashier of Finance Department and Project Manager of Investment Department of North China Expressway Co., Ltd. Toll Branch; from May 2012 to June 2018, he successively served as the Project Manager of Equity Management Department II, the Project Manager of Enterprise Management Department and the Project Manager of Capital Operation Department of China Merchants Huajian Highway Investment Co., Ltd.; from July 2018 to October 2019, he served as the Senior Manager of Capital Operation Department (Board Office) of China Merchants Expressway Network & Technology Holdings Co., Ltd.; from November 2019 to the end of this report period, he served as the Financial Director and Financial Manager of Tibet China Merchants Communications and Construction Electronic Information Co., Ltd.; from November 2014 to May 2020, he successively served as the 4th and 5th Board of Supervisors of the Company.
Zhang Yiren	From April 2006 to May 202, he served as the employee supervisor of the 3rd, 4th and 5th Board of Supervisors of the Company; from November 2007 to December 2017, he served as the Chairman of the labor union and member of the Party Committee of the Company; from February 2015 to December 2017, he served as the Chairman of the Board of Supervisors and member of the Party Committee of Shandong Hi-speed Basketball Club Co., Ltd.
Wang Xiaolei	From April 2014 to the end of this report period, he successively served as Deputy Chief Accountant, Manager of Audit Department and Chief Auditor of Shandong Hi-speed Co., Ltd.; from May 2014 to May 2016, he concurrently served as Manager of Financial Department of Shandong Hi-speed Operation Management Co., Ltd.; from May 2014 to December 2018, he concurrently served as Supervisor and Chief Supervisor of Shandong Environmental Protection Industry Co., Ltd.; from May 2014 to the end of this report period, he successively served as Deputy Chief Accountant, Manager of Audit Department and Chief Auditor of Shandong Hi-speed Shandong Lijin Yellow River Highway Bridge Co., Ltd.; from December 2016 to may 2020, he

	served as the employee supervisor of the 5th Board of Supervisors of the Company; from December 2018 to the end of this report period, he also served as the Supervisor of Hubei Wujing Freeway Development Co., Ltd.
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Other situations

Applicable Not applicable

(II) Equity incentive granted to directors and senior managers during the report period.

Applicable Not applicable

Unit: ten thousand share

Name	Title	Number of stock options held at the beginning of the year	Number of new stock options granted during the reporting period	Exercisable shares during the reporting period	Stock option exercise shares during the reporting period	Stock option exercise price (RMB)	Number of stock options held at the end of the period	Market price at the end of the reporting period (RMB)
Sai Zhiyi	Chairman	0	74	0	0	-	0	0
Lv Sizhong	Vice chairman and general manager	0	74	0	0	-	0	0
Zhang Xiaobing	Director	0	59	0	0	-	0	0
Sui Rongchang	Directors and secretary of board of directors	0	59	0	0	-	0	0
Zhang Jun	Deputy General Manager	0	59	0	0	-	0	0
Kang Jian	Deputy General Manager	0	59	0	0	-	0	0
Chang Zhihong	Deputy General Manager	0	59	0	0	-	0	0
Hou Fujin	Deputy General Manager	0	59	0	0	-	0	0
Sun Jiarong	Chief engineer	0	59	0	0	-	0	0
Zhou Liang	Chief accountant	0	59	0	0	-	0	0
Total	/	0	620	0	0	/	0	/

II. Position of directors, supervisors and senior managers at present and in the reporting period.

(I) Position in the shareholder's company

Applicable Not applicable

Name of employee	Name of shareholder company	Position held in the shareholder's company
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Sai Zhiyi	Shandong Hi-Speed Group Co., Ltd.	Executive director
Han Daojun	China Merchants Expressway Network & Technology Holdings Co., Ltd.	Senior Consultant
Meng Jie	China Merchants Expressway Network & Technology Holdings Co., Ltd.	Chief Analyst and General Manager of Capital Operation Department (Board Office)
Liang Zhanhai	Shandong Hi-Speed Group Co., Ltd.	Minister of Planning and Finance
Liu Jingwei	China Merchants Expressway Network & Technology Holdings Co., Ltd.	Manager of Capital Operation Department (Board Office)
Li Hang	Shandong Hi-Speed Group Co., Ltd.	CPC Committee member, Deputy General Manager
Description of employment in the shareholder's company	None	

(II) Position in the other company

√ Applicable □ Not applicable

Name of employee	Name of other companies	Position held in the other company
Han Daojun	Guangxi Wuzhou Communications Co., Ltd	Deputy Director
Han Daojun	Chongqing Chengyu Expressway Co., Ltd	Deputy Director
Han Daojun	Chongqing Communications Research and Design Institute Co., Ltd. of China Merchants	Director
Han Daojun	Traffic Information Technology Co., Ltd of China Merchants	Director
Han Daojun	Xinzhi Technology Co., Ltd of China Merchants	Director
Han Daojun	China Highway Society	Executive Director, Deputy Secretary General
Meng Jie	Henan Zhongyuan Expressway Co., Ltd	Director
Meng Jie	Jiangsu Ningjingyan Expressway Co., Ltd	Director
Meng Jie	Heilongjiang Transportation Development Co., Ltd	Director
Meng Jie	Hyundai Investment Co., Ltd	Director
Liang Zhanhai	Shandong Hi-Speed Group (Hong Kong) Co., Ltd	Director
Liang Zhanhai	China Shandong Hi-speed Financial Group Limited	Non-executive Director
Fan Yuejin	Qingdao University	Consultant, Honorary Director of the Council

Liu Jianwen	Beijing University	Professor of Law School, doctoral supervisor of economic law major
Liu Jianwen	Liaoning University	Distinguished Professor
Liu Jianwen	Yangtze River Scholars Award Program	Distinguished Professor
Wei Jian	Zhongtai Securities and Finance Research Institute of Shandong University	Professor and doctoral supervisor of Zhongtai Securities and Finance Research Institute of Shandong University, New Century Excellent Talents of the Ministry of Education
Wei Jian	<i>Journal of Shandong University (ZS Edition)</i>	Editor in chief
Wang Hui	Hexin Certified Public Accountants (LLP)	Chief partner
Wang Hui	Shandong Institute of Certified Public Accountants	Vice President
Wang Hui	Professional Steering Committee of China Institute of Certified Public Accountants	Committee member
Yin Jijun	Director of Weihai Commercial Bank Co., Ltd.	Director
Liu Jingwei	Henan Zhongyuan Expressway Co., Ltd	Supervisor
Liu Jingwei	Hyundai Investment Co., Ltd	Supervisor
Lin Leqing	Li'anda Certified Public Accountants Co., Ltd	Certified public accountant
Zhou Liang	Shandong Hi-Speed Road Development Co., Ltd.	Director
Zhou Liang	Dongxing Securities Co., Ltd.	Director
Zhou Liang	Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	Director
Zhou Liang	Shandong Hi-Speed Sulianyun Technology Co., Ltd.	Director
Zhou Liang	Shandong Hi-speed Property Service Development Group Co., Ltd.	Director
Li Hang	Weihai City Commercial Bank	Director
Wei Shirong	Beijing Dacheng Law Firm	Senior partner, member of capital markets professional committee, member of financial professional committee
Wei Shirong	Dacheng DENTONS International Law Firm	Leader of Global and China transportation and infrastructure industry Group
Wei Shirong	National Development and Reform Commission	PPP expert database legal expert
Wang Feng	Zhongshen Zhonghuan Certified Public Accountants (special general partnership)	Partner

Wang Feng	Beijing Institute of Certified Public Accountants	Professional Technology and Continuing Education Committee
Sun Xu	Tibet China Merchants Communications and Construction Electronic Information Co., Ltd	Financial Director and Financial Manager
Wang Xiaolei	Shandong Lijin Huanghe Highway and Bridge Co., Ltd.	Chairman of the board of supervisors
Wang Xiaolei	Hubei Wujing Expressway Development Co., Ltd	Supervisor
Description of employment in other companies	None	

III. Salary information of Directors, supervisors and senior management.

√ Applicable Not applicable

Decision-making procedures for remuneration of directors, supervisors and senior managers.	The directors, supervisors and senior managers of the company shall be paid with annual salary.
Determination basis for remuneration of directors, supervisors and senior managers.	On December 21, 2018, the Company's fourth extraordinary general meeting of shareholders approved the Management Measures for the Remuneration of Directors, Supervisors and Senior Managers; on June 13, 2020, the Company's second extraordinary general meeting of shareholders deliberated and approved the Proposal on Adjusting the Remuneration of External Directors and Supervisors.
Actual payment of remuneration of directors, supervisors and senior managers	See " (I) Shareholding Change and Remuneration of directors, supervisors and senior managers" for details of remuneration payable of directors, supervisors and senior managers of the company for this year.
Total remuneration actually received by all directors, supervisors and senior managers at the end of the reporting period	See " (I) Shareholding Change and Remuneration of directors, supervisors and senior managers" for details of remuneration payable of directors, supervisors and senior managers of the company for this year.

III. Variation of directors, supervisors and senior management.

√ Applicable Not applicable

Name	Title	Variation condition	Variable causes
Li Hang	Director	Resign	Because of work
Yin Jijun	Director	Resign	Because of work
Wei Shirong	Independent Director	Resign	Because of work
Wang Feng	Independent Director	Resign	Because of work
Luo Chuliang	Supervisor, Chairman of the Board of Supervisors	Resign	Because of work

Sun Xu	Supervisor	Resign	Because of work
Zhang Yiren	Employee Supervisor	Resign	Because of work
Wang Xiaolei	Employee Supervisor	Resign	Because of work
Sun Jiarong	Deputy General Manager	Resign	Because of work
Zhang Xiaobing	Deputy General Manager	Resign	Because of work
Liang Zhanhai	Director	Election	Because of work
Zhang Xiaobing	Director	Election	Because of work
Sui Rongchang	Director	Election	Because of work
Fan Yuejin	Independent Director	Election	Because of work
Wang Hui	Independent Director	Election	Because of work
Chen Fang	Employee Supervisor	Election	Because of work
Zhu Yuqiang	Employee Supervisor	Election	Because of work
Liu Jingwei	Supervisor	Election	Because of work
Yin Jijun	Chairman of the board of supervisors	Election	Because of work
Hou Fujin	Deputy General Manager	Employment	Because of work

V. Description of punishment by securities regulatory authorities in recent three years.

Applicable Not applicable

VI. Employees of the parent company and major subsidiaries.**(I) Condition of employee**

Number of active employees in the parent company	5,024
Number of active employees in the major subsidiaries	1,040
Total number of active employees	6,064
Number of retired employees whose salary need to be borne by the parent company and major subsidiaries	654
Composition of the discipline	
Category of discipline composition	Number of professionals
Production personnel	4,376
Salesman	16
Technical staff	956
Financial personnel	95
Administrative staff	621
Total	6,064
Education level	
Education level category	Number (Person)
Graduate student	447
Bachelor's Degree	3,139
Junior college education	1,873
Under junior college	605
Total	6,064

(II) Remuneration policy

Applicable Not applicable

The Company strictly abides by the relevant national laws and regulations, grasps the principle of distribution according to work as well as the principle that employees' wages are linked with the Company's business development and economic benefits, and can be increased or decreased. On the basis of expert argumentation and full consideration of post value, the Company has established a more comprehensive salary distribution system after perfecting the system from the aspects of total wage management, salary management, performance appraisal, medium and long-term incentive, etc. The salary of employees of the Company can be divided into two parts: fixed salary and floating salary. The fixed salary is related to the position, working years and other factors of employees. The floating salary is mainly related to the Company's operating conditions and the assessment and performance of employees. The Company fully plays the role of leverage adjustment of salary in the process of employee incentive, that is, it ensures the fair and reasonable distribution of salary through the fixed salary for posts, the change of salary from post to post, the whole staff assessment, the reward of the diligent and the punishment of the lazy.

(III) Training plan

Applicable Not applicable

Build an excellent enterprise staff team, establish a learning enterprise, enhance the core competitiveness of the Company, improve the overall quality and working ability of all staff, carry out rich content and flexible training in combination with the actual development of the Company, enhance the pertinence and effectiveness of training, and ensure the quality of training.

In 2020, party spirit education, professional skills training, political quality training, basic quality training, management ability training and knowledge updating training were the main contents of the training. All departments, transportation management centers and subsidiaries have organized 538 training sessions in management training, system training, skill training, professional training and safety training.

(IV) Labor outsourcing

Applicable Not applicable

VII. Others

Applicable Not applicable

Chapter IX Company Governance

I. Description of corporate governance.

Applicable Not applicable

The company has established the governance structure composed of the general meeting of shareholders, the board of directors, the board of supervisors and the management level. Based on the Articles of Association of the company, the company has formulated multi-level governance rules to clarify the responsibilities and obligations of all parties, ensure that the general meeting of shareholders, the board of directors and the special committees, the board of supervisors and the management level perform their respective duties, coordinate with each other and effectively control and balance each other, and constantly improve the level of corporate governance and decision-making efficiency.

The Board of Directors of the Company is composed of 11 directors and the Board of Supervisors is composed of 5 supervisors, including 2 employee supervisors. During the reporting period, the Company's Board of Directors strictly implemented the resolutions of the general meeting of shareholders. Independent directors made suggestions on the Company's business development, compliance operations, reward and punishment mechanism, etc. with their rich work experience in professional fields. Supervisors played their supervisory functions and participated in the Company's standardized governance by attending the board meeting and the general meeting of shareholders and organizing the convening of the supervision meeting. In 2020, the Company held 4 shareholder meetings, 18 board meetings, and 7 supervision meetings, having deliberating on 93 issues and disclosing nearly 160 announcements and annexes.

During the reporting period, the Company won Grade A Information Disclosure Work Evaluation of the Shanghai Stock Exchange in 2019-2020, the Tianma Award for the Best Board of Directors for the 11th China Listed Company Investor Relations, and the Best Letter Approval Award for the 4th China Excellent IR (2020-2021).

Whether there are significant differences between corporate governance and the requirements of relevant provisions of CSRC; if yes, the reasons shall be explained.

Applicable Not applicable

II. General meeting of shareholders

Session of the Meeting	Date of the Meeting	Search Index of the Website Designated for Resolution Publishing	Resolution Disclosure Date
The first extraordinary general meeting of shareholders in 2020	5/11/2020	www.sse.com.cn	5/12/2020
The second extraordinary general meeting of shareholders in 2020	6/13/2020	www.sse.com.cn	6/15/2020
Annual general meeting of 2019	6/23/2020	www.sse.com.cn	6/24/2020
The third extraordinary general meeting of shareholders in 2020	11/21/2020	www.sse.com.cn	11/23/2020

Description of situations of General meeting of shareholders

Applicable Not applicable

III. Performance of duties of directors.

(I) Participation of directors in the board of directors and general meeting of shareholders.

Name of the director	The independent director or not	Participation in the board of director						Participation in the general meeting of shareholders
		Times to attend the board of directors in	Attendance times in person	Times to attend the meeting by means of communication	Times of authorized attendance	Times of absence	Whether absence from meeting in	Times to attend the general meeting of

		this year					person for two consecutive times?	shareholders
Sai Zhiyi	No	18	18	16	0	0	No	4
Han Daojun	No	18	18	18	0	0	No	0
Lv Sizhong	No	18	18	16	0	0	No	3
Zhang Xiaobing	No	16	16	14	0	0	No	3
Meng Jie	No	18	18	18	0	0	No	0
Liang Zhanhai	No	16	16	16	0	0	No	2
Sui Rongchang	No	16	16	14	0	0	No	4
Fan Yuejin	Yes	16	16	16	0	0	No	0
Liu Jianwen	Yes	18	18	18	0	0	No	0
Wei Jian	Yes	18	18	18	0	0	No	1
Wang Hui	Yes	16	16	16	0	0	No	0
Li Hang	No	2	2	2	0	0	No	0
Yin Jijun	No	2	2	2	0	0	No	1
Wei Shirong	Yes	2	2	2	0	0	No	0
Wang Feng	Yes	2	2	2	0	0	No	0

Explanation of not attending the board meeting in person for two consecutive times Applicable Not applicable

Number of board meetings held within the year	18
Including: number of on-site meetings	0
Number of meetings held by means of communication	16
Number of meetings held on site in combination with the means of communication	2

(II) Independent directors' objection to relevant matters of the Company

Applicable Not applicable

(III) Others

Applicable Not applicable

IV. The important opinions and suggestions put forward by the special committee under the board of directors while performing their duties during the reporting period shall be disclosed in case of any objection.

Applicable Not applicable

During the reporting period, the strategy and development committee held one meeting; the nomination committee issued two letters of nomination for directors and senior executives; the audit committee held five meetings to express 1 audit opinion on related party transactions and 1 audit opinion on the renewal of the audit institution; the compensation and assessment committee held two meetings to provide opinions on matters related to the stock option incentive plan and the remuneration of directors and supervisors.

V. Explanation of the board of supervisors about the risks of the company

Applicable Not applicable

VI. Explanation of the company about inability to guarantee independence and maintain independent operation ability in terms of business, personnel, assets, institutions and finance with its controlling shareholders

Applicable Not applicable

In case of any horizontal competition, the corresponding solutions, work progress and follow-up work plan of the company.

Applicable Not applicable

VII. Evaluation mechanism for senior managers and establishment and implementation of incentive mechanism in the reporting period

Applicable Not applicable

The senior managers of the Company will be paid with annual salary. The salary mainly consists of basic salary, performance salary and medium and long-term incentive. The performance compensation and medium and long-term incentives will be paid according to the Company's operation and assessment. Equity-based Incentive Plan was implemented in the reporting period, and totaling 10.48 million stock options were granted to senior management on June 13, 2020. The waiting period for the stock options granted is 24 months, 36 months and 48 months from the date of grant, which may be exercised after 24 months from the date of grant. If the exercise conditions specified in the plan are satisfied within the exercise date, the stock options granted will be exercised by the incentive objects in three installments within the next 36 months after 24 months from the date of grant.

VIII. Whether to Disclose the Internal Control Self-Evaluation Report

Applicable Not applicable

The Company's 2020 internal control self-evaluation report will be published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on March 31, 2021.

Description of major defects in internal control during the reporting period.

Applicable Not applicable

IX. Statement of Information Related to Internal Control Audit Report

Applicable Not applicable

ShineWing Certified Public Accountants (special general partnership) which is the company's internal control audit institution issued an internal control audit report for the company, which was published on the website of Shanghai Stock Exchange www.sse.com.cn on March 31, 2021.

Disclosure of internal control audit report: Yes

Type of opinion on internal control audit report: standard clean opinion

X. Other

Applicable Not applicable

Chapter X. Corporate Bond-Related Information

Applicable Not applicable

Chapter XI Financial Report

I. Audit Report

√ Applicable □ Not applicable

Audit Report

XYZH/2021JNAA30098

All shareholders of Shandong Hi-Speed Group Co., Ltd:

I. Audit opinion

We have audited attached financial statement of Shandong Hi-Speed Group Co., Ltd (Hereinafter referred to as Shandong Hi-Speed Group), including consolidated balance sheet and balance sheet of parent company on December 31, 2020, consolidated statement of profit and profit statement of parent company, consolidated statement of cash flow and cash flow statement of parent company, consolidated change statement of owner's equity and change statement of owner's equity of parent company and notes to financial statement in 2020.

In our opinion, the attached financial statements are prepared in accordance with regulations of Accounting Standards for Business Enterprises (ASBE) in all major aspects, and fairly reflect the consolidated financial situations of Shandong Hi-speed and the parent company up to December 31, 2020 as well as the consolidated operation achievements and cash flow and that of the parent company in 2020.

II. Basis for Forming an Audit Opinion

We conducted the audit in accordance with the stipulations of the Auditing Standards for Certified Public Accountants of China. The "Responsibility of Certified Public Accountants for Auditing Financial Statements" part of the audit report further explains our responsibilities under these standards. We are independent from Shandong Hi-speed in accordance with the Code of Ethics for Certified Public Accountants in China, and we have fulfilled other responsibilities for professional ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key audit matters

The key audit matters are the most important matters for the audit of the current financial statements according to our professional judgment. The response to these matters is based on the audit of the financial statements as a whole and the formation of audit opinions. No opinion is expressed on these matters separately.

1. Impairment of other receivables	
Key audit matters.	Response in audit
As of December 31, 2020, as stated in notes IV, 12/VI, 7/VI and 53 to the consolidated financial statements of Shandong Hi-speed, the balance of other receivables of Shandong Hi-speed is 4,491,069,200 yuan, and the balance of bad debt provision is 315,596,300 yuan. The bad debt provision of other receivables made by Shandong Hi-speed management is based on the expected credit loss rate of other receivables. As the amount of bad debt provision for other receivables has the significant impact on the financial statements and involves the estimation and judgment of the management, we determine the bad debt provision for other receivables as one of the key audit matters.	Our main audit procedures are: -understand and evaluate the design and operational effectiveness of key internal controls of management related to the impairment of other receivables; -check whether the relevant accounting policies formulated by the management meet the relevant provisions of the new financial instrument standards and whether the changes of accounting policies have been reviewed by the board of directors; -review the rationality of the empirical data on historical credit loss and key assumptions used by the management to calculate the expected credit loss rate; -obtain the expected credit loss model of other receivables, check management's assumptions and calculation process of expected credit loss, and recalculate; -evaluate the management's judgment on the changes in credit risk, and review the rationality of the different

	<p>stages of other receivables;</p> <p>-assess whether the accounting treatment of bad debt provision of other receivables and the presentation and disclosure of relevant information in the financial statements are appropriate.</p>
2. Depreciation and amortization of franchise rights of road products and toll roads	
Key audit matters.	Response in audit
<p>As of December 31, 2020, as stated in notes IV, 20/IV, 23/VI, 17.1 (1)/VI, 19 (1) to the consolidated financial statements of Shandong Hi-speed, the net value of the franchise rights of Shandong Hi-speed road property and toll roads is 45,610,101,300 Yuan, and the amount of depreciation and amortization in 2020 is 181,353,000 Yuan. The depreciation amount of Shandong Hi-speed road property and toll road franchise is calculated based on the ratio of the actual traffic flow in a specific year to the estimated total traffic flow in the remaining toll period. As the estimated total traffic volume in the remaining toll period involves significant accounting estimates, we have listed the accuracy of depreciation and amortization of Shandong Hi-way road property and toll road franchise as one of the key audit matters.</p>	<p>Our main audit procedures are:</p> <ul style="list-style-type: none"> -evaluate the qualification, professional competence and independence of the third-party organization for traffic flow prediction; -obtain the prediction report of the external independent professional organization and check its important assumptions, and compare the important assumptions with the planning of the government; -compare the difference between the predicted traffic flow and the actual traffic flow and evaluate the accuracy of the traffic flow prediction report; -check whether the actual traffic flow data applied by the management is consistent with the actual traffic flow data obtained by Shandong Hi-speed from external parties; -recalculate the depreciation and amortization of the road property and toll road franchise rights, and compare with the depreciation and amortization amount of the road property and toll road franchise rights in the financial statements.

IV. Other Information

The Management of Shandong Hi-speed (hereinafter referred to as the Management) shall be responsible for other information. Other information comprises all information included in 2020 annual report of Shandong Hi-speed, excluding the financial statements and our audit report thereon.

Our audit opinion on the release of financial statements does not cover other information, and we do not intend to publish any form of forensic evidence for other information.

In conjunction with our audit of the financial statements, our responsibility is to read other information and, in the process, consider whether other information is materially inconsistent with the financial statements or what we have acknowledged during the audit process or if there appears to be a material misstatement.

If, based on the work we have performed, we concluded that there is a material misstatement of other information, we are required to report the fact. In this regard, we have nothing to report.

V. Management and governance's responsibility for the financial statements

The management is responsible for preparing the financial statements in accordance with the provisions of Accounting Standards for Business Enterprises and presenting it fairly, and designing, executing and maintaining necessary internal control to ensure there is no material misstatement caused by fraud or error.

While preparing financial statements, the management shall be responsible to assess the continuous operation capacity of Shandong Hi-speed, to disclose matters related to continuous operation (if applicable), and apply continuous operation assumptions unless the management plans to clear up accounts of Shandong Hi-speed, terminate the operation, or there is no other realistic option.

The governance shall be responsible to supervise the course of financial statements of Shandong Hi-speed.

VI. Certified public accountant's responsibility for the financial statements audit

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error, and to issue an auditor report containing audit opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements may be caused by fraud or error. The misstatement is generally considered to be material if it is reasonably expected that the individual or aggregated misstatement may affect the economic decisions made by the financial statement user in accordance with the financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit according to the auditing standards. Meanwhile, we also perform the following tasks:

- (1) Identify and assess the risk of material misstatement of financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain adequate and appropriate audit evidence as the basis for delivering audit opinions. As fraud may involve collusion, forgery, intentional omission, false statements or overriding internal control, the risk of failing to detect significant misstatement due to fraud is higher than that due to error.
- (2) Understand the internal control related to audit to design appropriate audit procedures.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Draw a conclusion on the appropriateness of the going concern assumption used by the management. Besides, based on the obtained audit evidence, conclusions can be drawn on whether there is significant uncertainty in matters or circumstances which will cause great concerns on the continuous operation capacity of Shandong Hi-speed. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on information available as of the audit report. However, future events or conditions may cause Shandong Hi-speed to cease the operation
- (5) Evaluate the overall presentation, structure and content of the financial statements and whether the financial statements represent the relevant transactions and events in fair presentation.
- (6) Obtain sufficient and appropriate audit evidence for the financial information of entities or business activities of Shandong Hi-speed to express audit opinions on the financial statements. We are responsible for audit guidance, supervision and implementation of the group, and take all responsibilities for audit opinions.

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

We also provide the governance with a statement of our compliance with the code of ethics related to our independence and communicate with the governance on all relationships and other matters that may reasonably be considered to affect our independence, as well as the relevant precautions (if applicable). From the matters communicated with the governance level, we determine which matters are most important for the audit of the financial statements of the current period, and thus constitute the key audit matters. We describe these matters in the audit report, unless the public disclosure of these matters is prohibited by laws and regulations, or in very few cases, if it is reasonably expected that the negative consequences caused by communicating one certain matter in the audit report outweigh the benefits generated in the public interest, we confirm that the matters shall not be communicated in the audit report.

Shinewing Certified Public Accountants (Special Partnership)	Chinese CPA: Wang Gongyong (Project Partner)
Beijing, China	Chinese CPA: Ma Tengyong
	March 29, 2012

Consolidated assets and liabilities.

December 31, 2020

Prepared by: Shandong Hi-Speed Co., Ltd

Unit: yuan Currency: CNY

Item	Note(s)	December 31, 2020	December 31, 2019
Current assets:	VII. 1		
Monetary funds		2,260,788,437.97	1,816,616,192.72
Deposit reservation for balance			
Funds lent			
Trading financial assets	VII. 2	37,879,166.67	
Derivative financial assets			
Notes receivable	VII. 4	78,553,471.98	166,046,781.89
Accounts receivable	VII. 5	519,497,846.78	216,250,199.80
Receivables financing	VII. 6	150,000,016.63	108,547,434.59
Advanced payment	VII. 7	146,619,294.26	181,264,318.42
Premiums receivable			
Reinsurance accounts receivable			
Reserves for reinsurance contract receivable			
Other receivables	VII. 8	4,250,510,895.17	5,363,935,525.48
Including: Interest receivable			
Dividends receivable	VII. 8	75,037,985.75	524,516,294.16
Redemptory monetary capital for sale			
Stock	VII. 9	1,390,381,878.59	1,914,874,948.39
Contract assets	VII. 10	160,875,310.33	
Held-for-sale assets			
Non-current assets due within one year	VII. 12	113,246,088.67	88,000,000.00
Other current assets	VII. 13	3,738,969,498.66	1,207,089,124.63
Total Current Assets		12,847,321,905.71	11,062,624,525.92
Non-current assets:			
Disbursement of loans and advances			
Debt investment	VII. 14	2,614,476,734.72	2,288,507,600.00
Other investment on bonds			
Long-term receivables			
Long-term equity investments	VII. 17	12,932,861,522.52	10,876,650,896.87
Other equity instrument investment	VII. 18	349,241,523.36	354,424,450.19
Other non-current financial assets	VII. 19	599,602,448.11	5,667,934,389.21
Investment real estates	VII. 20	724,395,942.56	755,113,614.14
Fixed assets	VII. 21	9,267,680,678.56	9,609,521,167.21
Construction in process	VII. 22	8,480,761,085.91	2,530,414,811.07
Productive biological assets			
Oil and gas assets			

Right-of-use assets			
Intangible assets	VII. 26	42,655,730,883.25	42,329,746,220.35
Development expenditure			
Goodwill			
Long-term deferred expenses	VII. 29	5,708,133.98	8,123,554.12
Deferred income tax assets	VII. 30	679,621,876.20	616,223,885.62
Other non-current assets	VII. 31	1,759,900,789.04	1,923,575,663.99
Total non-current assets		80,069,981,618.21	76,960,236,252.77
Total assets		92,917,303,523.92	88,022,860,778.69
Current liabilities:			
Short-term loans	VII. 32	2,861,018,522.06	568,567,899.41
Borrowing from the central bank			
Loans from other banks and other financial institutions			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	VII. 35	276,072,829.09	33,211,430.37
Accounts payable	VII. 36	4,667,741,873.74	5,020,997,647.35
Advance receipt	VII. 37	69,254,472.77	233,063,704.00
Contract liabilities	VII. 38	118,774,829.03	
Financial assets sold for repurchase			
Receipt of deposits and deposits from other banks			
Funds received as agent of stock exchange			
Acting underwriting securities			
Payroll payable	VII. 39	104,928,898.05	90,270,532.45
Taxes payable	VII. 40	573,896,178.54	796,192,749.13
Other payables	VII. 41	3,484,301,888.14	2,660,600,796.25
Where: Interest payable			
Dividends payable	VII. 41	60,885,896.25	25,917,525.46
Handling charges and commissions payable			
Cession insurance premiums payable			
Liabilities held for sale			
Other non-current liabilities due within one year	VII. 43	3,692,845,879.29	2,675,588,903.13
Other current liabilities	VII. 44	2,529,825,261.70	2,514,549,315.05
Total current liabilities		18,378,660,632.41	14,593,042,977.14
Non-current liabilities			
Reserve funds for insurance contracts			
Long-term Loans	VII. 45	34,977,981,637.85	33,314,036,294.39
Bonds payable			
Including: preferred stocks			
Perpetual debt			
Lease liabilities			

Long-term payable	VII. 48	307,170,000.00	307,170,000.00
Long-term payroll payable	VII. 49	214,288,788.88	226,850,277.65
Estimated liabilities	VII. 50	109,118,519.88	89,261,686.31
Deferred Income	VII. 51	1,593,513,850.06	1,209,465,555.56
Deferred income tax liabilities	VII. 30	1,041,909,470.20	908,782,748.28
Other non-current liabilities			
Total non-current liabilities		38,243,982,266.87	36,055,566,562.19
Total liabilities		56,622,642,899.28	50,648,609,539.33
Owners' equity (or shareholders' equity)			
Paid-in capital (or capital stock)	VII. 53	4,811,165,857.00	4,811,165,857.00
Other equity instrument	VII. 54	3,200,000,000.00	2,000,000,000.00
Including: preferred stocks			
Perpetual debt		3,200,000,000.00	2,000,000,000.00
Capital reserves	VII. 55	1,748,100,650.09	4,836,763,252.70
Minus: treasury stocks			
Other comprehensive income	VII. 57	-47,382,900.51	9,953,082.58
Appropriate reserve	VII. 58	95,654,456.55	82,671,061.69
Surplus reserves	VII. 59	3,388,948,843.13	3,164,742,776.43
General risk reserves			
Adjustment of the undistributed profits	VII. 60	18,254,274,865.21	18,370,546,470.80
Total owner's equities (or shareholders' equity) attributable to parent company		31,450,761,771.47	33,275,842,501.20
Minority equity		4,843,898,853.17	4,098,408,738.16
Total owner's equities (shareholder's equities)		36,294,660,624.64	37,374,251,239.36
Total for Liabilities and Owners' Equity (or Shareholders' Equity)		92,917,303,523.92	88,022,860,778.69

Legal representative:
Sai Zhiyi

Person in charge of
accounting work: Lv
Sizhong

Chief accountant: Zhou
Liang

Person in charge of
accounting agency:
Chen Fang

Assets and liabilities of parent company:

December 31, 2020

Prepared by: Shandong Hi-Speed Co., Ltd

Unit: yuan Currency: CNY

Item	Note(s)	December 31, 2020	December 31, 2019
Current assets:			
Monetary funds		928,288,455.53	870,975,280.55
Trading financial assets			
Derivative financial assets			
Notes receivable		33,981,915.06	
Accounts receivable			
Receivables financing			
Advanced payment		11,237,709.41	11,562,276.40
Other receivables	XVII 2	6,219,568,039.82	4,489,749,765.83
Including: Interest receivable			
Dividends receivable		75,037,985.75	
Stock			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		1,330.70	41,864.44
Total Current Assets		7,193,077,450.52	5,372,329,187.22
Non-current assets:			
Debt investment		1,050,000,000.00	1,500,000,000.00
Other investment on bonds			
Long-term receivables			
Long-term equity investments	XVII 4	22,198,322,722.62	22,084,563,217.73
Other equity instrument investment		17,614,686.36	17,614,686.36
Other non-current financial assets			
Investment real estates		99,593,869.59	103,347,729.63
Fixed assets		5,847,333,014.15	5,944,035,071.13
Construction in process		6,609,958,928.50	1,523,216,463.56
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		26,031,443,072.07	26,139,356,460.31
Development expenditure			
Goodwill			
Long-term deferred expenses		2,255,539.59	1,499,423.29
Deferred income tax assets		553,019,757.44	571,492,951.37
Other non-current assets		1,691,331,534.50	2,707,210,551.70
Total non-current assets		64,100,873,124.82	60,592,336,555.08

Total assets		71,293,950,575.34	65,964,665,742.30
Current liabilities:			
Short-term loans		2,713,985,295.67	3,404,762,465.75
Trading financial liabilities			
Derivative financial liabilities			
Notes payable		241,800,000.00	
Accounts payable		3,827,021,730.09	4,299,771,896.22
Advance receipt			34,980,345.86
Contract liabilities			
Payroll payable		4,191,355.63	3,081,586.76
Taxes payable		329,613,826.45	514,166,694.40
Other payables		2,644,367,755.20	1,427,028,921.60
Where: Interest payable			
Dividends payable		17,677,077.63	
Liabilities held for sale			
Other non-current liabilities due within one year		2,624,567,516.60	1,971,942,633.55
Other current liabilities		2,515,141,657.31	2,514,549,315.05
Total current liabilities		14,900,689,136.95	14,170,283,859.19
Non-current liabilities			
Long-term Loans		25,655,628,195.96	23,264,718,125.26
Bonds payable			
Including: preferred stocks			
Perpetual debt			
Lease liabilities			
Long-term payable		294,000,000.00	294,000,000.00
Long-term payroll payable		111,690,956.40	125,852,148.97
Estimated liabilities			
Deferred Income		708,624,257.65	301,639,375.00
Deferred income tax liabilities		165,146,292.77	66,701,454.09
Other non-current liabilities			
Total non-current liabilities		26,935,089,702.78	24,052,911,103.32
Total liabilities		41,835,778,839.73	38,223,194,962.51
Owners' equity (or shareholders' equity)			
Paid-in capital (or capital stock)		4,811,165,857.00	4,811,165,857.00
Other equity instrument		3,200,000,000.00	
Including: preferred stocks			
Perpetual debt		3,200,000,000.00	
Capital reserves		1,902,762,862.20	3,723,794,637.56
Minus: treasury stocks			
Other comprehensive income		-48,454,749.94	9,953,082.58
Appropriate reserve			

Surplus reserves		3,360,606,953.46	3,136,400,886.76
Undistributed profits		16,232,090,812.89	16,060,156,315.89
Total owner's equities (shareholder's equities)		29,458,171,735.61	27,741,470,779.79
Total for Liabilities and Owners' Equity (or Shareholders' Equity)		71,293,950,575.34	65,964,665,742.30

Legal representative:
Sai Zhiyi

Person in charge of
accounting work: Lv
Sizhong

Chief accountant: Zhou
Liang

Person in charge of
accounting agency:
Chen Fang

Consolidated Income Statement

January to December 2020

Unit: yuan Currency: CNY

Item	Note(s)	2020	2019
I. Total operating incomes	VII. 61	11,365,164,781.15	10,414,550,126.20
Including: operating incomes	VII. 61	11,365,164,781.15	10,414,550,126.20
Interest income			
Premiums earned			
Handling charges and commissions incomes			
II. Total operating costs		9,863,958,892.09	7,625,184,524.90
Including: operating costs	VII. 61	7,560,477,000.27	5,764,173,616.16
Interest expense			
Handling charges and commissions expenses			
Surrender value			
Net amount of compensation payout			
Net reserves for insurance liabilities			
Expenditures dividend policy			
Reinsurance expenses			
Taxes and surcharges	VII. 62	79,170,333.02	82,699,807.08
Selling expenses	VII. 63	10,629,082.64	16,982,565.44
Management expenses	VII. 64	537,241,518.01	578,995,480.68
Research and development (R&D) expenses	VII. 65	67,632,819.17	40,248,725.26
Financial expenses	VII. 66	1,608,808,138.98	1,142,084,330.28
Where Interest expense		1,701,838,542.17	1,436,760,372.33
Interest income		93,867,234.96	297,069,626.74
Plus: Other income	VII. 67	62,271,278.27	34,950,601.38
Investment income (losses are shown with a "-" sign)	VII. 68	1,472,376,254.32	1,557,019,189.35
Including: investment incomes from associated enterprises and joint ventures		570,339,660.39	376,523,816.81
Gain on derecognition of financial assets measured at amortized cost			
Foreign exchange gains (losses are shown with			

a “-” sign)			
Net exposure hedge gain (losses are shown with a “-” sign)			
Gain on changes in fair value (losses are shown with a “-” sign)			
Credit impairment losses (losses are shown with a “-” sign)		-38,010,697.87	104,886,552.70
Impairment loss on assets (losses are shown with a “-” sign)		-69,698,486.83	737,101.08
Gain on disposal of assets (losses are shown with a “-” sign)		1,892,517.97	-3,338,999.77
III. Operating Profit (losses are shown with a “-” sign)		2,930,036,754.92	4,488,306,696.24
Plus: non-operating incomes		111,132,022.46	89,085,844.38
Minus: non-operating expenses		56,302,967.80	167,266,284.34
IV. Total Profit (total loss is shown with a “-” sign)		2,984,865,809.58	4,410,126,256.28
Minus: income tax expenses		845,430,409.73	1,198,946,988.11
V. Net Profit (net loss is shown with a “-” sign)		2,139,435,399.85	3,211,179,268.17
(I) Classified by continuity of operation			
1. Net profit from continuing operations (net loss is shown with a “-” sign)		2,139,435,399.85	3,211,179,268.17
2. Net profit from discontinued operations (net loss is shown with a “-” sign)			
(II) Classified by attribution of ownership			
1. Net profit attributable to shareholders of the parent company (net loss is shown with a “-” sign)		2,038,999,018.13	3,126,071,417.08
2. Minority interests' gains and losses (net loss is shown by “-”)		100,436,381.72	85,107,851.09
VI. After-tax net amount of other comprehensive income		-57,335,983.09	2,629,965.89
(I) After-tax net amount of other comprehensive incomes attributable to owners of the parent company		-57,335,983.09	2,874,964.78
1. Other consolidated Income that cannot be reclassified to profit or loss		-5,182,926.83	
(1) Re-measurement of changes in defined benefit plans			
(2) Other comprehensive income that cannot be converted to profit and loss under equity method			
(3) Fair value changes of other equity instrument investment		-5,182,926.83	
(4) Fair value changes of enterprise’s credit risk			
2. Other consolidated income to be reclassified to profit or loss		-52,153,056.26	2,874,964.78
(1) Other comprehensive income that can be		-52,153,056.26	2,874,964.78

converted to profit and loss under equity method			
(2) Fair value changes of other debt investment			
(3) The amount of financial assets reclassified into other comprehensive income			
(4) Reserves for credit impairment of other credit investments			
(5) Cash flow hedging reserves			
(6) Discount difference of foreign currency financial statements			
(7) Others			
(II) After-tax net amount of other comprehensive income attributable to minority shareholders			-244,998.89
VII. Total comprehensive income		2,082,099,416.76	3,213,809,234.06
(I) Total comprehensive income attributable to owners of the parent company		1,981,663,035.04	3,128,946,381.86
(II) Total comprehensive income attributable to minority shareholders		100,436,381.72	84,862,852.20
VIII. Earnings per share:			
(I). Basic earnings per share (yuan/share)		0.40	0.65
(II). Diluted earnings per share (yuan/share)		0.40	0.65

For enterprise consolidation under the same control in the current period, the net profit realized by the consolidated Party before consolidation was: RMB 181,832,760.37, and the net profit realized by the consolidated party in the previous period was: RMB 145,464,496.57.

Legal representative: Sai Zhiyi Person in charge of accounting work: Lv Sizhong Chief accountant: Zhou Liang Person in charge of accounting agency: Chen Fang

Profit Statement of Parent Company

January to December 2020

Unit: yuan Currency: CNY

Item	Note(s)	2020	2019
I. Operating incomes	XVII 5	5,433,545,542.19	5,416,671,096.24
Minus: operating costs	XVII 5	3,126,521,536.40	2,569,697,067.29
Taxes and surcharges		36,609,615.38	37,383,537.96
Selling expenses			
Management expenses		156,474,259.74	183,623,488.52
Research and development (R&D) expenses		22,209,698.34	5,163,715.62
Financial expenses		1,174,143,153.73	519,346,130.99
Where Interest expense		1,377,206,551.03	882,160,313.72
Interest income		203,183,301.97	364,592,835.22
Plus: Other income		32,034,600.35	457,500.00
Investment income (losses are shown with a “-” sign)	XVII 6	1,889,609,968.46	1,386,335,979.72

Including: investment incomes from associated enterprises and joint ventures		407,748,201.80	309,238,743.35
Gain on derecognition of financial assets measured at amortized cost			
Net exposure hedge gain (losses are shown with a “-” sign)			
Gain on changes in fair value (losses are shown with a “-” sign)			
Credit impairment losses (losses are shown with a “-” sign)		-3,211,349.74	22,671,633.53
Impairment loss on assets (losses are shown with a “-” sign)			
Gain on disposal of assets (losses are shown with a “-” sign)			
II. Operating profit (loss is shown with a “-” sign)		2,836,020,497.67	3,510,922,269.11
Plus: non-operating incomes		61,070,052.10	43,228,662.71
Minus: non-operating expenses		39,081,928.51	147,089,768.88
III. Total profit (the total loss is shown with a “-” sign)		2,858,008,621.26	3,407,061,162.94
Minus: income tax expenses		615,947,954.27	687,540,776.47
IV. Net profit (net loss is shown with a “-” sign)		2,242,060,666.99	2,719,520,386.47
(i) Net income from continuing operations (net loss is shown with a “-” sign)		2,242,060,666.99	2,719,520,386.47
(ii) Net profit from discontinued operations (net loss is shown with a “-” sign)			
V. After-tax net amount other comprehensive income		-58,407,832.52	3,129,963.63
(I) Other comprehensive incomes that can't be reclassified into profit and loss			
1. Re-measurement of changes in defined benefit plans			
2. Other comprehensive profits that cannot be converted into profits or losses under the equity method			
3. Fair value changes of other equity instrument investment			
4. Fair value changes of enterprise's credit risk			
(II) Other comprehensive incomes that will be reclassified into profit and loss		-58,407,832.52	3,129,963.63
1. Other comprehensive income that can be included in profit or loss under the equity method.		-58,407,832.52	3,129,963.63
2. Fair value changes of other debt investment			
3. Amount of financial assets reclassified into other comprehensive income			
4. Reserves for credit impairment of other credit investments			

5. Cash flow hedging reserves			
6. Discount difference of foreign currency financial statements			
7. Others			
VI. Total comprehensive income		2,183,652,834.47	2,722,650,350.10
VII. Earnings per share:			
(I). Basic earnings per share (yuan/share)			
(II). Diluted earnings per share (yuan/share)			

Legal representative: Sai Zhiyi Person in charge of accounting work: Lv Sizhong Chief accountant: Zhou Liang Person in charge of accounting agency: Chen Fang

Consolidated Cash Flow Statement

January to December 2020

Unit: yuan Currency: CNY

Item	Note(s)	2020	2019
I. Net cash flow from operating activities			
Cash received from selling goods and providing services		11,670,481,701.64	13,707,673,725.71
Net additions to customer deposits and interbank deposits			
Net increase in borrowings from the central bank			
Net increase in funds borrowed from other financial institutions			
Cash received from receiving insurance premium of original insurance contract			
Net cash received from reinsurance business			
Net increase in insured's deposits and investment funds			
Cash received from interests, fees and commissions			
Net Increase in borrowing funds			
Net increase in repo business funds			
Net cash received from trading securities			
Tax refunds received			
Cash received from other operating activities	VII. 78	2,511,287,458.56	2,130,113,130.72
Subtotal of cash inflows from business activities		14,181,769,160.20	15,837,786,856.43
Cash paid for purchased commodities and accepted services		6,376,558,265.49	4,745,474,004.64
Net increase in loans and advances to customers			
Net increase in deposits with the central bank and interbanks			
Cash paid for indemnity of original insurance contract			
Net increase in lending funds			

Cash paid for interests, fees and commissions			
Cash paid for policy dividends			
Cash paid to and paid for staff		1,626,236,935.31	1,544,782,530.12
Tax payments		1,433,170,290.25	1,602,337,342.05
Other cash paid related to operating activities	VII. 78	436,716,594.37	1,481,600,879.55
Subtotal of cash outflows from business activities		9,872,682,085.42	9,374,194,756.36
Net cash flow from operating activities		4,309,087,074.78	6,463,592,100.07
II. Net cash flow from investment activities			
Cash received from disposal of investment		2,782,299,872.93	2,385,211,237.16
Cash received from investment incomes		1,888,574,853.17	1,038,478,559.42
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		5,999,826.93	2,961,505.56
Net cash received from disposal of subsidiaries and other business entities			312,672,429.53
Other cash received related to investment activities	VII. 78	868,998,592.11	533,681,928.19
Subtotal of cash inflows from investment activities		5,545,873,145.14	4,273,005,659.86
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets		6,594,615,778.91	9,721,032,984.36
Cash paid for investment		3,591,409,587.65	4,544,862,444.19
Net increase in pledged loans			
Net cash paid for acquisition of subsidiaries and other business entities		808,945.02	
Other cash paid related to investment activities	VII. 78	10,841,593.13	
Subtotal of cash outflows from investment activities		10,197,675,904.71	14,265,895,428.55
Net cash flow from investment activities		-4,651,802,759.57	-9,992,889,768.69
III. Cash flows from financing activities:			
Cash received from absorbing investment		4,815,294,000.00	2,020,320,900.00
Including: cash received from investment attraction of subsidiaries from minority shareholders		615,294,000.00	20,320,900.00
Cash received from debts		23,198,074,799.87	25,865,711,475.86
Other cash received related to financing activities	VII. 78	600,000,000.00	23,611,355.51
Subtotal of cash inflows from financing activities		28,613,368,799.87	27,909,643,731.37
Cash paid for settlement of debts		17,930,375,199.78	21,628,955,209.32
Cash paid for dividend distribution, profit and interest		4,422,451,766.13	2,632,807,836.00
Including: dividends and profits paid to minority shareholders by subsidiaries		559,976,355.40	50,825,000.00
Other cash paid related to financing activities	VII. 78	5,497,918,450.22	34,075,113.39

Subtotal of cash outflows from financial activities		27,850,745,416.13	24,295,838,158.71
Net cash flow from financing activities		762,623,383.74	3,613,805,572.66
IV. Effect of exchange rate fluctuations on cash and cash equivalents			
V. Net increase in cash and cash equivalents		419,907,698.95	84,507,904.04
Plus: beginning balance of cash and cash equivalents		1,769,343,057.09	1,684,835,153.05
VI. Balance of ending cash and cash equivalents		2,189,250,756.04	1,769,343,057.09

Legal representative:
Sai Zhiyi

Person in charge of
accounting work: Lv
Sizhong

Chief accountant: Zhou
Liang

Person in charge of
accounting agency:
Chen Fang

Cash Flow Statement of Parent Company

January to December 2020

Unit: yuan Currency: CNY

Item	Note(s)	2020	2019
I. Net cash flow from operating activities			
Cash received from selling goods and providing services		5,367,086,927.84	6,811,167,767.54
Tax refunds received			
Cash received from other operating activities		1,229,452,532.93	744,131,984.57
Subtotal of cash inflows from business activities		6,596,539,460.77	7,555,299,752.11
Cash paid for purchased commodities and accepted services		1,000,701,125.19	631,960,323.03
Cash paid to and paid for staff		1,032,932,183.82	942,781,230.42
Tax payments		917,646,750.36	870,020,104.19
Other cash paid related to operating activities		1,450,678,427.20	440,791,484.16
Subtotal of cash outflows from business activities		4,401,958,486.57	2,885,553,141.80
Net cash flow from operating activities		2,194,580,974.20	4,669,746,610.31
II. Net cash flow from investment activities			
Cash received from disposal of investment		5,492,147,931.56	886,960,057.16
Cash received from investment incomes		1,488,794,222.26	924,058,437.87
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,205,830.27	
Net cash received from disposal of subsidiaries and other business entities			65,246,799.26
Other cash received related to investment activities		311,304.58	2,100,196,341.45
Subtotal of cash inflows from investment activities		6,983,459,288.67	3,976,461,635.74
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets		5,822,609,057.35	8,180,765,179.00
Cash paid for investment		6,243,449,819.42	3,986,762,409.08
Net cash paid for acquisition of subsidiaries and other business entities			
Other cash paid related to investment activities		3,442,519.54	2,544,376,907.03
Subtotal of cash outflows from investment activities		12,069,501,396.31	14,711,904,495.11
Net cash flow from investment activities		-5,086,042,107.64	-10,735,442,859.37
III. Cash flows from financing			

activities:			
Cash received from absorbing investment		3,200,000,000.00	
Cash received from debts		22,653,574,799.87	22,829,811,476.86
Other cash received related to financing activities		1,000,030,380.25	
Subtotal of cash inflows from financing activities		26,853,605,180.12	22,829,811,476.86
Cash paid for settlement of debts		20,162,945,199.78	14,841,431,882.32
Cash paid for dividend distribution, profit and interest		3,431,221,857.70	1,970,792,643.48
Other cash paid related to financing activities		310,663,814.22	34,075,113.39
Subtotal of cash outflows from financial activities		23,904,830,871.70	16,846,299,639.19
Net cash flow from financing activities		2,948,774,308.42	5,983,511,837.67
IV. Effect of exchange rate fluctuations on cash and cash equivalents			
V. Net increase in cash and cash equivalents		57,313,174.98	-82,184,411.39
Plus: beginning balance of cash and cash equivalents		870,975,280.55	953,159,691.94
VI. Balance of ending cash and cash equivalents		928,288,455.53	870,975,280.55

Legal representative:
Sai Zhiyi

Person in charge of
accounting work: Lv
Sizhong

Chief accountant: Zhou
Liang

Person in charge of
accounting agency:
Chen Fang

Consolidated Statement of Changes in Owner's Equity

January to December 2020

Unit: yuan Currency: CNY

Item	2020														Minority equity	Total owner's equity
	Equities attributable to the owners of parent company												Subtotal			
	Paid-in capital (or capital stock)	Other equity instrument			Capital reserves	Minus: treasury stocks	Other comprehensive income	Appropriate reserve	Surplus reserves	General risk reserves	Adjustment of the undistributed profits	Others				
Preference shares	Perpetual debt	Others														
Prior year-end balance	4,811,165,857.00		2,000,000,000.00		4,159,538,082.19		9,953,082.58		3,164,742,776.43		17,975,791,829.92		32,121,191,628.12	2,266,246,760.76	34,387,438,388.88	
Plus: changes in accounting policies											169,953.90		169,953.90	163,289.04	333,242.94	
Corrections of prior period errors																
Business consolidation under control					677,225,170.51			82,671,061.69			394,754,640.88		1,154,650,873.08	1,832,161,977.40	2,986,812,850.48	
Others																
II. Beginning balance of this year	4,811,165,857.00		2,000,000,000.00		4,836,763,252.70		9,953,082.58	82,671,061.69	3,164,742,776.43		18,370,376,516.90		33,275,672,547.30	4,098,245,449.12	37,373,917,996.42	
III. Amount of increase or decrease in the current period (decrease is shown with a "-" sign)			1,200,000,000.00		3,088,662,602.61		57,335,983.09	12,983,394.86	224,206,066.70		116,101,651.69		1,824,910,775.83	745,653,404.05	1,079,257,371.78	
(I) Total comprehensive income							57,335,983.09				2,038,999,018.13		1,981,663,035.04	100,436,381.72	2,082,099,416.76	
(II) Capital invested and reduced by owners			1,200,000,000.00		3,088,662,602.61								1,888,662,602.61	963,432,124.32	925,230,478.29	
1. Common shares contributed by owners					9,220,036.64								9,220,036.64	753,879,017.90	763,099,054.54	
2. Capital contributed by the holders of other equity instruments			1,200,000,000.00										1,200,000,000.00		1,200,000,000.00	
3. Amounts of share-based payments recognized in owners' equity					18,429,300.00								18,429,300.00		18,429,300.00	
4. Others					3,116,311,939.25								3,116,311,939.25	209,553,106.42	2,906,758,832.83	
(III) Profit distribution									224,206,066.70		2,155,100,669.82		1,930,894,603.12	331,206,564.05	2,262,101,167.17	
1. Withdraw of surplus reserves									224,206,066.70		224,206,066.70					
2. Withdrawn general risk reserve																
3. Profits distributed to owners(or shareholders)											1,828,243,025.66		1,828,243,025.66	331,206,564.05	2,159,449,589.71	
4. Others											102,651,577.46		102,651,577.46		102,651,577.46	
(IV) Internal carry-over of owner's equity																
1. Conversion of capital reserves into paid-in capital (or share capital)																
2. Conversion of surplus reserves into paid-in capital (or share capital)																
3. Surplus reserves offsetting losses																
4. Carry-forward of																

retained earnings from changes of defined benefit plan															
5. Carry-forward of retained earnings from other comprehensive incomes															
6. Others															
(V) Special reserves							12,983,394.86					12,983,394.86	12,991,462.06	25,974,856.92	
1. Amount withdrawn in the current period							16,222,137.30					16,222,137.30	16,953,111.65	33,175,248.95	
2. Amount used in the current period							3,238,742.44					3,238,742.44	3,961,649.59	7,200,392.03	
(VI) Others															
IV. Ending balance of the current period	4,811,165,857.00		3,200,000,000.00		1,748,100,650.09		47,382,900.51	95,654,456.55	3,388,948,843.13		18,254,274,865.21		31,450,761,771.47	4,843,898,853.17	36,294,660,624.64

Annual Report 2020

Item	2019														
	Equities attributable to the owners of parent company													Minority equity	Total owner's equity
	Paid-in capital (or capital stock)	Other equity instrument			Capital reserves	Minus: treasury stocks	Other comprehensive income	Appropriate reserve	Surplus reserves	General risk reserves	Adjustment of the undistributed profits	Others	Subtotal		
	Preference shares	Perpetual debt	Others												
I. Balance at the end of the last year	4,811,165,857.00				3,273,636,101.65		6,823,118.95		2,892,790,737.78		16,276,718,131.16		27,261,133,946.54	2,054,284,178.79	29,315,418,125.33
Plus: changes in accounting policies															
Corrections of prior period errors															
Business consolidation under control					677,225,170.51		254,998.85	65,869,092.33			317,793,490.49		1,061,142,752.18	1,757,501,359.80	2,818,644,111.98
Others															
II. Beginning balance of this year	4,811,165,857.00				3,950,861,272.16		7,078,117.80	65,869,092.33	2,892,790,737.78		16,594,511,621.65		28,322,276,698.72	3,811,785,538.59	32,134,062,237.31
Amount of increase or decrease in the current period (decrease is shown with a "-" sign)			2,000,000,000.00		885,901,980.54		2,874,964.78	16,801,969.36	271,952,038.65		1,776,034,849.15		4,953,565,802.48	286,623,199.57	5,240,189,002.05
(I) Total comprehensive income							2,874,964.78				3,126,071,417.08		3,128,946,381.86	84,862,852.20	3,213,809,234.06
(II) Capital invested and reduced by owners			2,000,000,000.00		885,901,980.54								2,885,901,980.54	230,664,323.74	3,116,566,304.28
1. Common shares contributed by owners														19,817,127.92	19,817,127.92
2. Capital contributed by the holders of other equity instruments			2,000,000,000.00										2,000,000,000.00		2,000,000,000.00
3. Amounts of share-based payments recognized in owners' equity															
4. Others					885,901,980.54								885,901,980.54	210,847,195.82	1,096,749,176.36
(III) Profit distribution									271,952,038.65		1,350,036,567.93		1,078,084,529.28	46,127,331.62	1,124,211,860.90
1. Withdraw of surplus reserves									271,952,038.65		271,952,038.65				
2. Withdrawn general risk reserve															
3. Profits distributed to owners(or shareholders)											1,068,786,407.72		1,068,786,407.72	46,127,331.62	1,114,913,739.34
4. Others											9,298,121.56		9,298,121.56		9,298,121.56
(IV) Internal carry-over of owner's equity															
1. Conversion of capital reserves into paid-in capital (or share capital)															
2. Conversion of surplus reserves into paid-in capital (or share capital)															
3. Surplus reserves offsetting losses															
4. Carry-forward of retained earnings from changes of defined benefit plan															
5. Carry-forward of retained earnings from other comprehensive incomes															

6. Others														
(V) Special reserves							16,801,969.36					16,801,969.36	17,223,355.25	34,025,324.61
1. Amount withdrawn in the current period							17,238,342.53					17,238,342.53	18,062,584.76	35,300,927.29
2. Amount used in the current period							436,373.17					436,373.17	839,229.51	1,275,602.68
(VI) Other														
IV. Ending balance of the current period	4,811,165,857.00		2,000,000,000.00		4,836,763,252.70		9,953,082.58	82,671,061.69	3,164,742,776.43		18,370,546,470.80	33,275,842,501.20	4,098,408,738.16	37,374,251,239.36

Legal representative: Sai Zhiyi

Person in charge of accounting work: Lv
Sizhong

Chief accountant: Zhou Liang

Person in charge of accounting agency:
Chen Fang

Change Statement of Owner's Equity in Parent Company
January to December 2020

Unit: yuan Currency: CNY

Item	2020										
	Paid-in capital (or share capital)	Other equity instrument			Capital reserves	Minus: treasury stocks	Other comprehensive income	Appropriate reserve	Surplus reserves	Undistributed profits	Total owner's equity
		Preference shares	Perpetual debt	Others							
I. Balance at the end of the last year	4,811,165,857.00				3,723,794,637.56		9,953,082.58		3,136,400,886.76	16,060,156,315.89	27,741,470,779.79
Plus: changes in accounting policies											
Corrections of prior period errors											
Others											
II. Beginning balance of this year	4,811,165,857.00				3,723,794,637.56		9,953,082.58		3,136,400,886.76	16,060,156,315.89	27,741,470,779.79
III. Increases/decreases in the current period ("-" for decreases)			3,200,000,000.00		1,821,031,775.36		58,407,832.52		224,206,066.70	171,934,497.00	1,716,700,955.82
(1) Total comprehensive income							58,407,832.52			2,242,060,666.99	2,183,652,834.47
(2) Capital contributed or reduced by owners			3,200,000,000.00		1,821,031,775.36						1,378,968,224.64
1. Common shares contributed by owners											
2 Capital contributed by the holders of other equity instruments			3,200,000,000.00								3,200,000,000.00
3. Amounts of share-based payments recognized in owners' equity					18,429,300.00						18,429,300.00
4. Others					1,839,461,075.36						1,839,461,075.36
(III) Profit distribution								224,206,066.70	2,070,126,169.99	1,845,920,103.29	
1. Withdraw of surplus reserves								224,206,066.70	224,206,066.70		
2 Profits distributed to owners(or shareholders)										1,828,243,025.66	1,828,243,025.66
3. Others										17,677,077.63	17,677,077.63
(IV) Internal carry-forward of owners' equity											
1. Conversion of capital reserves into paid-in capital (or share capital)											
2. Conversion of surplus reserves into paid-in capital (or share capital)											
3. Surplus reserves offsetting losses											
4. Carry-forward of retained earnings from changes of defined benefit plan											
5 Carry-forward of retained earnings from other comprehensive incomes											
6. Others											
(V) Appropriate reserve											
1. Amount withdrawn in the current period											
2. Amount used in the current period											
(VI) Others											
IV. Ending balance of the current period	4,811,165,857.00		3,200,000,000.00		1,902,762,862.20		48,454,749.94		3,360,606,953.46	16,232,090,812.89	29,458,171,735.61

Item	2019										
	Paid-in capital (or share capital)	Other equity instrument			Capital reserves	Minus: treasury stocks	Other comprehensive income	Appropriate reserve	Surplus reserves	Undistributed profits	Total owner's equity
		Preference shares	Perpetual debt	Others							
I. Balance at the end of the last year	4,811,165,857.00				3,131,791,139.92		6,823,118.95		2,864,448,848.11	14,641,518,915.46	25,455,747,879.44
Plus: changes in accounting policies											
Corrections of prior period errors											
Others											
II. Beginning balance of this year	4,811,165,857.00				3,131,791,139.92		6,823,118.95		2,864,448,848.11	14,641,518,915.46	25,455,747,879.44
III. Increases/decreases in the current period ("+" for increases, "-" for decreases)					592,003,497.64		3,129,963.63		271,952,038.65	1,418,637,400.43	2,285,722,900.35
(1) Total comprehensive income							3,129,963.63			2,719,520,386.47	2,722,650,350.10
(2) Capital contributed or reduced by owners					592,003,497.64					34,336,707.01	626,340,204.65
1. Common shares contributed by owners											
2. Capital contributed by the holders of other equity instruments											
3. Amounts of share-based payments recognized in owners' equity											
4. Others					592,003,497.64					34,336,707.01	626,340,204.65
(III) Profit distribution									271,952,038.65	1,335,219,693.05	1,063,267,654.40
1. Withdraw of surplus reserves									271,952,038.65	271,952,038.65	
2. Profits distributed to owners(or shareholders)										1,063,267,654.40	1,063,267,654.40
3. Others											
(IV) Internal carry-forward of owners' equity											
1. Conversion of capital reserves into paid-in capital (or share capital)											
2. Conversion of surplus reserves into paid-in capital (or share capital)											
3. Surplus reserves offsetting losses											
4. Carry-forward of retained earnings from changes of defined benefit plan											
5. Carry-forward of retained earnings from other comprehensive incomes											
6. Others											
(V) Appropriate reserve											
1. Amount withdrawn in the current period											
2. Amount used in the current period											
(VI) Others											
IV. Ending balance of the current period	4,811,165,857.00				3,723,794,637.56		9,953,082.58		3,136,400,886.76	16,060,156,315.89	27,741,470,779.79

Legal representative: Sai Zhiyi

Person in charge of accounting work: Lv Sizhong

Chief accountant: Zhou Liang

Person in charge of accounting agency: Chen Fang

III. Company Overview

1. Company profile

√ Applicable □ Not applicable

Shandong Hi-Speed Co., Ltd. (hereinafter referred to as “the Company” or “Company”, collectively referred to as “the Group” when including subsidiaries), formerly known as Shandong Infrastructure Co., Ltd., was established on November 16, 1999 by means of sponsoring under the approval of the State Economic and Trade Commission of the People’s Republic of China in the document GJMQG [1999] No. 1073, with Shandong Hi-Speed Co., Ltd. (now renamed as Shandong Hi-Speed Group Co., Ltd. (hereinafter referred to as “Shandong Hi-Speed Group”)) and Huajian Transportation Economic Development Center of the Ministry of Communications (now renamed as China Merchants Expressway Network & Technology Holdings Co., Ltd.) as sponsors. Shandong Hi-Speed Co., Ltd. and Huajian Transportation Economic Development Center of the Ministry of Communications hold 2,097,050,000 shares and 761,750,000 shares respectively, accounting for 73.35% and 26.65% of the total share capital. The company obtained the business license of corporate legal person with registration number 3700001804559 (now changed to unified social credit code: 91370000863134717K).

In January 2002, according to the document ZJFXZ[2002] No. 6 issued by China Securities Regulatory Commission, the Company issued 505,000,000 ordinary shares to the public. After the issuance, the Company’s total share capital changed to 3,363,800,000 shares, and the share capital structure changed to: Shandong Hi-Speed Co., Ltd. held 2,097,050,000 shares, accounting for 62.34%; Huajian Transportation Economic Development Center held 761,750,000 shares, accounting for 22.65%, and 505,000,000 social public shares, accounting for 15.01%.

On May 23, 2006, in accordance with the resolution of the 2006 First extraordinary general meeting of shareholders of the Company, the Company changed its name to “Shandong Hi-Speed Co., Ltd.” and registered at the industrial and commercial authority.

On July 5, 2011, in accordance with the Reply of Approving Shandong Hi-Speed Co., Ltd. of issuing shares to Shandong Hi-Speed Group Co., Ltd. to purchase assets (ZJXK [2011] No. 1007) and the Replay of Approving the exemption from the obligation of Shandong Hi-Speed Group Co., Ltd. to acquire shares of Shandong Hi-Speed Co., Ltd. (ZJXK [2011] No. 1008) issued by China Securities Regulatory Commission, the Company issued 1,447,365,857 shares to Shandong Hi-Speed Group Co., Ltd. non-publicly.

On April 11, 2012, in accordance with the resolutions of the 2012 First extraordinary general meeting of shareholders of the Company, the Company changed its name to “Shandong Hi-Speed Co., Ltd.” and registered at the industrial and commercial authority.

As of December 31, 2020, the total share capital of the company is 4,811,165,857 shares, all of which are tradable shares with unlimited sales conditions.

Registered capital of the company: 4,811,165,857 yuan.

Registered address: Block A, Qixing Jixiang Building, No. 29, Wenhua East Road, Jinan City.

Registered address of headquarter: No.5006 Aoti Middle Road, Jinan City, Shandong Province.

Name of Legal Representative: Sai Zhiyi

The Group is mainly engaged in the investment, operation and management of toll roads, bridges and tunnel infrastructure and related businesses. The group is also engaged in expressway service area and supporting services, property management, real estate investment and development, tourism development and other businesses. The current business scope of the company mainly includes investment, management, maintenance, consulting services and approved charges with the high-grade highway, bridge and tunnel infrastructure, rescue and obstacle removal, and storage (excluding dangerous chemicals); decoration; sales of building materials; investment in port, highway and waterway transportation; highway information network management; automobile cleaning. (Business requiring government approval according to law can only be carried out when such approval from relevant department is obtained)

The group mainly operates and manages the following toll roads and bridges:

Name of Road Section	Road Sections	Approved Expiry Date of Toll Collection	Toll Mileage (Kilometer)
Jinan-Qingdao Expressway	Jinan-Qingdao Expressway (Section in Shandong of Qingdao-Yinchuan Expressway)	December 15, 2044	318.50
Relevant sections of	Phase I of Dezhou-Qihe Section of	November 17, 2022	89.03

Beijing-Taibei Expressway	Beijing-Fuzhou Expressway		
	Phase II of Dezhou-Qihe Section of Beijing-Fuzhou Expressway	November 30, 2025	2.25
	Jinan Yellow River Second Bridge	April 16, 2032	5.75
	Qihe-Jinan Section of Beijing-Fuzhou Expressway	October 31, 2024	21.97
	Jinan-Qingdao Connection Line of Beijing-Fuzhou Expressway	October 31, 2024	16.38
	Jinan-Tai'an Section of Beijing-Fuzhou Expressway	October 31, 2024	59.55
Jinan-Laiwu High-speed Railway	Jinan-Laiwu Expressway (side road) of Beijing-Shanghai Expressway	October 21, 2034	76.05
Weifang-Laiyang Expressway	Weifang-Laiyang Expressway	July 31, 2024	140.64
Weihai-Rushan Expressway	Weihai-Rushan Expressway	December 19, 2032	70.55
Taiqu section of national highway G104	Tai'an-Qufu First-class Highway of State Road G104	November 15, 2025	64.17
Lijin Yellow River Bridge	Lijin Yellow River Bridge	September 25, 2029	1.35
Xuchang-Yuzhou Expressway	Xuchang-Yuzhou Expressway in Henan	August 28, 2036	39.07
Jiyuan-Jincheng Expressway	Jiyuan-Jincheng (Provincial Border) Section of Erenhot-Guangzhou Expressway	September 9, 2038	20.56
Hengyang-Shaoyang Expressway	Heyang-Shaoyang Expressway in Hunan	December 29, 2040	132.06
Wuhan-Jingmen Expressway	Wuhan-Jingmen Expressway in Hubei	May 2040	183.21

2. Scope of consolidated financial statements.

√ Applicable □ Not applicable

The consolidated financial statements of the Company covers 30 companies including Shandong Hi-Speed Investment Development Co., Ltd. and Shandong Hi-Speed Industrial Development Co., Ltd. Compared with the previous year, 4 companies including Jinan Changying Jin'an Limited Partnership (Limited Partnership) were reduced due to transfers and 2 companies including Shandong Hi-speed Sulianyun Technology Co., Ltd. were added due to new establishments. 8 companies including Shandong Hi-speed Rail Transit Group Co., Ltd. were added to the business combination under the same control, while Shandong Ludao Construction Engineering Co., Ltd. was added to the business combination not under the same control.

For details, please refer to "VIII. Change of consolidation scope" and "IX. Equity in other entities" in this note.

IV. Basis for Preparation of Financial Statements

1. Basis for preparation

The Company financial statement shall be prepared on the basis of going concern.

2. Going concern

√ Applicable □ Not applicable

The group has the history of profitable operation and financial resources support in the near future. It is considered that it is reasonable to prepare financial statements on the basis of continuous operation, and there is no significant event affecting the ability of continuous operation within 12 months from the end of the reporting period.

V. Important accounting policies and accounting estimates

Specific accounting policies and accounting estimate prompt:

√ Applicable Not applicable

Reminders on specific accounting policies and accounting estimates: the specific accounting policies and accounting estimates formulated by the Group by referring to the relevant provisions of the accounting standards and combing the characteristics of actual production and operation include the recognition and measurement of bad debt provisions for accounts receivable, measurement of issued inventories, classification of fixed assets and depreciation methods, and amortization of intangible assets, income recognition and measurement (including the recognition and measurement methods of items such as inventory and revenue of special business such as BOT/BT/construction contract business), etc.

1. Follow the statement on Accounting Standards for Business Enterprises

The financial statements prepared by the company meet the requirements of the accounting standards for business enterprises, and truly and completely reflect the company's financial situation, operating achievements, changes in shareholders' equity, cash flow and other relevant information.

2. Accounting period

The fiscal year of the company is from January 1 to December 31.

3. Business cycle

√ Applicable Not applicable

The business cycle of the group is one year (12 months).

4. Recording currency

The recording currency of the company is CNY.

5. Accounting method of enterprise merger under common control and not under common control

√ Applicable Not applicable

The assets and liabilities obtained by the Group, as the Combining Party, in the business merger under the same control, are measured at book value in consolidated statement of Final Controlling Party of the Combined Party on merger date. The capital reserve shall be adjusted for the balance between the acquired book value of net assets and the paid book value of the combined consideration, while the retained earnings shall be adjusted if the capital reserve is insufficient to be offset.

Identifiable assets, liabilities and contingent liabilities of the acquiree obtained from the business merger under different control shall be measured at fair value on the acquisition date. The merging cost is the sum of the fair value of cash or non-cash assets paid by the Group on the acquisition date for obtaining the control right of the acquiree, liabilities issued or assumed, and equity securities issued, and direct related expenses arising from the business merger (for business merger that is achieved step by step through multiple transactions, the merging cost is the sum of cost of each individual transaction). The difference between the merger cost and the fair value of the identifiable net assets of the acquired party obtained in the merger shall be recognized as goodwill; if the merger cost is less than the fair value of the identifiable net assets of the acquired party obtained in the merger, the fair value of the identifiable assets, liabilities and contingent liabilities obtained in the merger as well as the non cash assets of the merger consideration or the issued equity shall be rechecked at first. After rechecking, if the merger cost is still less than the fair value share of the identifiable net assets of the acquired party obtained in the merger, the difference shall be included in the non-operating income of the current period of the merger.

6. Method of preparing consolidated financial statements

√ Applicable Not applicable

The Group incorporates all controlled subsidiaries and structured entities into the consolidated financial statements.

In the preparation of consolidated financial statements, if the accounting policies or accounting periods adopted by subsidiaries and the Company are inconsistent, necessary adjustments shall be made to the financial statements of subsidiaries in accordance with the Company's accounting policies or accounting periods.

All significant internal transactions, current balances and unrealized profits within the scope of the merger are offset at the time of preparation of the consolidated statements. The shares among the owner's rights and

interests of a subsidiary that do not belong to the parent company, and the shares of minority stockholder's interest in current net profit and loss, other comprehensive income and total comprehensive income are listed in the item of "minority stockholder's interest, minority interest income, other comprehensive incomes attributable to minority shareholders and total comprehensive incomes attributable to minority shareholders" in the consolidated financial statement.

The business performance and cash flow of the subsidiary obtained from the business merger under the same control are included into the consolidated financial statement since the beginning of current period of the merger. When compiling the comparative consolidated financial statements, the adjustment on relevant items of the previous year's financial statements is deemed as that the report subject formed after the merger has existed since the Final Controlling Party started to control.

The equity of the investee under the common control is acquired step by step through multiple transactions, and business combination is finally achieved. When preparing the consolidated statements, it shall be regarded as adjustment to the current state when the ultimate controlling party starts to control. The comparative statements shall be prepared not earlier than the point at which the Group and the combined party are both under the control of the ultimate controlling party. The relevant assets and liabilities of the combined party shall be incorporated into the comparative statements of the Group's consolidated financial statements, and the net assets increased by the combination shall be adjusted to the relevant items under owners' equity in the comparative statements. In order to avoid double calculation of the net asset value of the combined party, the long-term equity investments held by the Group prior to realization of the combination and the relevant profits and losses, other comprehensive income and other changes in net assets have been recognized from the date of acquisition of the original equity or the date on which the Group and the combined party are under the ultimate control of the same party (whichever is later) to the date of combination shall be separately written off against the retained earnings at the beginning of the comparative statement period and the profits and losses of the current period.

The business performance and cash flow of the subsidiary obtained from the business merger under different control are included into the consolidated financial statement from the day when the Group gained the control right. In preparing consolidated financial statements, the financial statements of the subsidiary are adjusted on the basis of the fair value of the identifiable assets, liabilities and contingent liabilities determined on the acquisition date.

The equity of the invested company not under the same control is acquired step by step through multiple transactions to form business merger. While preparing the consolidated statement, the equity held by the acquired party before the purchase date shall be remeasured according to the fair value of the equity on the purchase date, and the difference between the fair value and its book value shall be included in the current investment income; If the equity held by the acquired party before the relevant purchase date involves other comprehensive income under the equity method accounting and other changes in the owner's equity except for net profit and loss, other comprehensive income and profit distribution, the same shall be converted into investment profit and loss in the current period on the purchase date. Other comprehensive income generated from the changes in net liabilities or net assets of the defined benefit plan measured by the invested entity shall be excluded.

The Group will partially dispose of long-term equity investments in its subsidiaries without losing control. In consolidated financial statements, the capital premium or capital stock premium will be adjusted according to the balance between disposal price and net asset share of subsidiaries calculated continuously since the purchase date or merger date corresponding to the long-term equity investments. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted.

If the Group loses its control right to the investee due to the disposal of part of the equity investment, the remaining equity shall be re-measured according to its fair value on the date of loss of control right when compiling the consolidated financial statement. The balance that the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity minus the shares of net assets calculated continuously from the purchase date or merger date of the original subsidiary according to the original shareholding ratio, shall be included into the investment profit and loss of the current period of losing the control right, and at the same time the goodwill will be written down. Other comprehensive incomes related to the equity investment of the original subsidiary are converted into current investment gains and losses when the control right is lost.

If the group disposes the equity investment of subsidiaries step by step through multiple transactions until losing the control and if the transactions of disposing the equity investment of subsidiaries until losing the control belong to the package deal, all transactions shall be treated as one transaction for accounting purpose; however, before the loss of control, the difference between each disposal price and the share of net assets of the subsidiary corresponding to the disposal investment shall be recognized as other comprehensive income

in the consolidated financial statements, and shall be transferred into the investment profit and loss of the current period when the right of control is lost.

7. Classification of joint venture arrangements and accounting treatment method for joint operation

Applicable Not applicable

The joint arrangement of the group includes joint operation and joint venture. As for the items of a joint venture, the Group, as a party of the joint venture, recognizes the assets held and liabilities assumed separately, recognizes the assets held and liabilities assumed on a share basis, and recognizes relevant revenue and expenses separately or on a share basis as agreed. Where the purchase or sale of assets does not constitute business with the joint operation, only the profits and losses arising from the transaction belonging to the other participants in the joint operation shall be recognized.

8. Criteria for determining cash and cash equivalents

The cash equivalents refer to the investments that are held by an enterprise with a short term (generally within three months from the date of purchase) and strong liquidity, and that are easy to be converted into the cash of known amounts with little risk of value change.

9. Foreign currency transaction and translation of foreign currency statement

Applicable Not applicable

10. Financial instruments

Applicable Not applicable

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

(1) Financial assets

1) Classification, recognition basis and measurement method of financial assets

According to the business model of managing financial assets and the contractual cash flow characteristics of financial assets, the Group classifies financial assets into financial assets measured at amortized cost, financial assets measured at fair value with changes included in other comprehensive income and financial assets measured at fair value with changes included in current profit and loss.

The Group classifies the financial assets that meet the following conditions as the financial assets measured at amortized cost: ①The business model managing the financial asset is to receive contract cash flows. ②The contractual terms of the financial asset provide that the cash flow generated on a particular date is only the payment of the principal and interest based on the outstanding principal amount. Such financial assets are initially measured at the fair value, and relevant transaction expenses are included in the initially recognized amount; subsequent measurement shall be made at the amortized cost. Except for the designated hedged item, the difference between the initial amount and the due amount shall be amortized according to the actual interest method, and the amortization, impairment, exchange gains and losses, as well as the gains or losses arising from the derecognition shall be included in the current profits and losses.

The Group classifies the financial assets that meet the following conditions as the financial assets that are measured at fair value and whose changes are included in other comprehensive income: ①The business model managing the financial asset is to receive the contract cash flows and to sell the financial asset. ②The contractual terms of the financial asset provide that the cash flow generated on a particular date is only the payment of the principal and interest based on the outstanding principal amount. Such financial assets are initially measured at the fair value, and relevant transaction expenses are included in the initially recognized amount; Except for those designated as hedged items, such financial assets, except for credit impairment loss or gain, exchange gain or loss and interest of such financial assets calculated according to the actual interest method, all other gains or losses generated shall be included in other comprehensive income; when the financial assets are terminated with recognition, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income into the current profit and loss.

The Group recognizes interest income in accordance with the actual interest method. The interest income is calculated and determined by multiplying book balance of the financial asset by the actual interest rate, unless it is under the circumstances as follows: ① The interest income of a purchased or original financial asset that has undergone credit impairment shall, since its initial recognition, be calculated and determined on the basis of amortized cost of the financial asset and the credit-adjusted real interest rate. ②The interest income of a purchased or original financial asset without credit impairment, but which will undergo credit impairment in the subsequent periods, shall be calculated and determined in accordance with the amortized cost and the

actual interest rate of the financial asset during the subsequent periods.

The Group designates non-trading equity instrument investment as the financial asset measured at fair value with its changes included in other comprehensive income. Once the designation is made, it is not allowed to be withdrawn. Non-trading equity instrument investment designated by the group and measured at fair value with its changes being included in other comprehensive income is initially measured at fair value, and relevant transaction expenses are included in the initially recognized amount; other relevant gains and losses (including gains and losses due to exchange) are included in the current profit and loss except dividends (except for the recovered investment cost) are included in the other comprehensive income and shall not be transferred into current profit and loss. When the recognition is terminated, the accumulated gains or losses previously included in other comprehensive income shall be transferred from other comprehensive income into retained earnings.

Financial assets other than those classified as financial assets measured at amortized cost and those classified as financial assets measured at fair value with changes included in other comprehensive income. The Group classifies it as the financial asset measured at fair value through profit or loss. Such financial assets are initially measured at the fair value, and relevant transaction expenses are included in the current profit and loss; The gains or losses of such financial assets shall be included in the current profit and loss.

If the contingent consideration recognized by the group in the business combination not under the same control constitutes the financial asset, the financial asset can be classified as the financial asset measured at fair value with its changes included in the current profit and loss.

When the group changes the business model of managing financial assets, all affected related financial assets will be reclassified.

2) Recognition basis and measurement method of transfer of financial assets

The Group will derecognize the financial assets that meet one of the following conditions: ①The contractual right to receive the cash flow of the financial asset terminates; ②When a financial asset is transferred, the Group transfers almost all risks and rewards of ownership of the financial asset; ③ When a financial asset is transferred, the Group neither transfers nor retains almost all the risks and rewards of ownership of the financial asset, nor retains control over the financial asset;

If the overall transfer of financial assets meets the conditions for derecognition, the difference between the book value of the transferred financial assets and the sum of the consideration received as a result of the transfer and the amount corresponding to the terminated recognition part of the accumulative amount of the changes in the fair value originally included in other comprehensive income (according to the terms of the contract involving the transferred financial assets, the cash flow generated on the specific date is only for the principal and interest due to the outstanding principal) shall be included in the current profit and loss.

If the partial transfer of financial assets meets the conditions for derecognition, the overall book value of the transferred financial assets shall be apportioned according to their respective relative fair values between the derecognized part and the non-derecognized part, and difference between the sum of the consideration received as a result of the transfer and the accumulative amount of changes in fair value originally included in other comprehensive income that shall be apportioned to the final recognized part and the total book value of the apportioned financial assets mentioned above (according to the contract terms involving the transferred financial assets, the cash flow generated on the specific date is only the payment of the principal and the interest based on the outstanding principal) shall be included in the current profit and loss.

(2) Financial liability

1) Classification, recognition basis and measurement method of financial liabilities

Financial liabilities of the Group are classified into financial liabilities measured at fair value with change included into current profits and losses in initial recognition period and other financial liabilities.

Financial liabilities measured at fair value with change included into current profits and losses and other financial liabilities include trading financial liabilities and financial liabilities measured at fair value with change included into current profits and losses confirmed in initial recognition period. Subsequent measurement is implemented according to fair value and gains or losses formed by fair value and dividend and interest expenditure relevant to the financial liability will be included to current profit and loss.

Subsequent measurement is implemented for other financial liabilities by actual rate method according to amortized costs. The Group classifies financial liabilities as the financial liabilities measured at amortized cost, except for the following: ①The financial liabilities measured at fair value and whose changes are recorded in the current profit and loss, including the transaction financial liabilities (including the derivatives belonging to the financial liabilities), and the financial liabilities designated to be measured at fair value and whose changes are recorded in current profit and loss. ②The financial liabilities formed by transfer of the financial assets that do not meet the conditions for de-recognition or the continuous involvement of the

transferred financial assets. ③The financial guarantee contracts that do not fall under ① or ② above, and the loan commitments that do not fall under ① above to borrow money at a below-market rate.

The financial liabilities formed by the contingent consideration recognized by the buyer in the business combination not under the same control shall be disposed for accounting purpose according to the fair value measurement and the change of which shall be included in the current profit and loss.

2) De-recognition criteria of financial liabilities

When present obligations of a financial liability are wholly or partly dissolved, the financial liability or part with dissolved obligations will be derecognized. The Group concludes agreement with the creditor to replace current financial liability by new financial liability mode and where new financial liability is different from contract clauses of current financial liability, current financial liability shall be de-recognized and at the same time, new financial liability shall be recognized. If the group makes substantial modification to all or part of the contract terms of the existing financial liabilities, the recognition of the existing financial liabilities or part of them shall be terminated, and the financial liabilities after the modification of the terms shall be recognized as the new financial liability. Balance between book value of de-recognized part and paid consideration is included into current profit and loss.

3) Recognition method of fair value of financial asset and financial liability

The Group measures the fair value of financial assets and financial liabilities at the price of the main market. If there is no main market available, the Group measures the fair value of financial assets and financial liabilities at the price of the most favorable market and adopts the applicable valuation technology with enough data and other information support being available. The input value for fair value measurement is divided into three levels, that is, the first-level input value is the unadjusted quoted price in the active market for the same asset or liability that can be obtained on the measurement date; the second-level input value is the direct or indirect observable input value of related assets or liabilities except the first-level input value; and the third-level input value is the unobservable input value of the related asset or liability. The group gives priority to the first level of input value, and then uses the third level input value. The level of fair value measurement results shall be determined by the lowest level of input value which is of great significance to the whole fair value measurement.

The investment by the Group in equity instruments is measured at fair value. However, in limited circumstances, if the information in recent period used to determine the fair value is insufficient, or the possible estimated amount of the fair value is widely distributed, and the cost represents the best estimate of the fair value within this range, the cost can represent the appropriate estimate of the fair value within the range.

4) Offset of financial asset and financial liability

Financial assets and financial liabilities of the Group are respectively listed in balance sheet, which do not offset mutually. However, if the following conditions are simultaneously met, they shall be shown in the balance sheet with the net amount after mutual offset: (1) The Group has the legal right to set off the recognized amount, and this legal right is currently enforceable; (2) The Group plans to settle on a net basis, or simultaneously realize the financial asset and pay off the financial liability.

5) Differentiation of financial liability and equity tool and relevant treatment method

The Group differentiates between financial liabilities and equity instruments according to following principles: (1) If the Group cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, such contractual obligation meets the definition of a financial liability. Although some financial instruments do not explicitly contain terms and conditions for the obligation to deliver cash or other financial assets, it is possible that contractual obligations may be indirectly formed through other terms and conditions. (2) If a financial instrument must or can be settled with the Group's own equity instrument, consideration shall be given to whether the Group's own equity instrument used to settle the instrument is used as a substitute for cash or other financial assets or to give holder of the instrument residual equity in the issuer's assets after all liabilities have been deducted. If it is the former, the instrument shall be the issuer's financial liability; if it is the latter, the instrument shall be the issuer's equity instrument. Under some conditions, a contract of financial instrument specifies that the Group shall or can settle the financial instrument with its equity tool and amount of contract right or contract obligation is equal to the quantity of equity tool that can be obtained or shall be delivered multiplied by fair value during settlement; therefore, the contract is classified into financial liability contract no matter amount of the contract right or obligation is fixed or will change completely or partly with variation of variable except for market price of equity tool of the Group (for example, rate, price of certain goods or price of certain financial instrument).

When the Group classifies financial instrument in consolidated statement (or its components), all clauses and conditions reached among group members and financial instruments holders shall be considered. If the Group

assumes the obligation to deliver cash, other financial assets or settle accounts in other ways that result in the instrument becoming a financial liability as whole due to the instrument, the instrument shall be classified as a financial liability.

Where financial instrument or its component belongs to financial liability, relevant interest, dividend (stock dividend), gains or loss, gain or loss of redemption or refinancing assets will be included into current profits and losses.

Where financial instrument or its component belongs to equity tool, the Group will treat it as equity change and will not recognize fair value change of equity tool during its issuance (including refinancing), repurchase, selling or cancellation.

11. Notes receivable

The determination method and accounting disposal method of expected credit loss of notes receivable

√ Applicable □ Not applicable

No matter whether there is significant financing component or not, the Group always measures its loss reserves in accordance with the amount equivalent to the expected credit loss in the whole duration for the notes receivable formed by transaction regulated by Accounting Standards for Business Enterprises No.14-Income Standards.

When a single financial asset cannot assess the information of expected credit loss at a reasonable cost, the Group will divide the notes receivable and receivables into several portfolios according to the credit risk characteristics, and calculate the expected credit loss on the basis of the portfolios. The basis for determining the portfolios is as follows:

Name of combination	Basis to determine the combinations
Related party combination	All related party customers
Third party combination	All third parties

For the notes receivable divided into combinations, the Group calculates the expected credit loss by referring to the historical credit loss experience, combining the current situation and the forecast of the future economy. Among them, the expected credit loss rate of the third-party portfolio is as follows:

Aging	Expected credit loss rate (%)
Within 1 year (inclusive)	5
1-2 years (including 2 years)	10
2-3 years (including 3 years)	30
3-4 years (including 4 years)	50
4-5 years (including 5 years)	80
More than 5 years	100

12. Accounts receivable

The determination method and accounting disposal method of expected credit loss of notes receivable.

√ Applicable □ Not applicable

No matter whether there is significant financing component or not, the Group always measures its loss reserves in accordance with the amount equivalent to the expected credit loss in the whole duration for the account receivables formed by transaction regulated by Accounting Standards for Business Enterprises No.14-Income Standards.

When a single financial asset cannot assess the information of expected credit loss at a reasonable cost, the Group will divide the notes receivable and accounts receivable into several portfolios according to the credit risk characteristics, and calculate the expected credit loss on the basis of the portfolios. The basis for determining the portfolios is as follows:

Name of combination	Basis to determine the combinations
Related party combination	All related party customers
Third party combination	All third parties

For the accounts receivable divided into combinations, the Group calculates the expected credit loss by referring to the historical credit loss experience, combining the current situation and the forecast of the future economy.

Among them, the expected credit loss rate of the third-party portfolio is as follows:

Aging	Expected credit loss rate (%)
Within 1 year (inclusive)	5
1-2 years (including 2 years)	10
2-3 years (including 3 years)	30
3-4 years (including 4 years)	50
4-5 years (including 5 years)	80
More than 5 years	100

13. Receivables financing

Applicable Not applicable

As for the notes receivable and accounts receivable that the contractual cash flow characteristics are consistent with the basic lending facilities and the Company's business model managing such financial assets is to receive the contractual cash flows and to sell, the Company classifies it as the receivables financing, which is measured at fair value and the changes are included in the other comprehensive income. The interest income, impairment loss and exchange difference recognized by the effective interest rate method for receivables financing are recognized as the current profit and loss, and the remaining changes in fair value are included into other comprehensive income. In case of de-recognition, the accumulated gains or losses previously included in the other comprehensive income will be transferred out of other comprehensive income and included in the current profit and loss.

14. Other receivables

Determination method and accounting disposal method of expected credit loss of other receivables

Applicable Not applicable

The Group measures other receivables loss reserves in accordance with the following circumstances: ① the Group measures the loss reserves for the financial assets whose credit risk has not increased significantly since the initial recognition in accordance with the expected amount of credit loss in the next 12 months; ② the Group measures the loss reserves for the financial assets whose credit risk has increased significantly since the initial recognition in accordance with the amount equivalent to the expected credit loss within the entire duration of the financial instrument; ③ the Group measures the loss reserves for the purchased or original financial assets that have undergone credit impairment in accordance with the amount equivalent to the expected credit loss within the entire duration.

When sufficient evidence of significant increase in credit risk cannot be obtained at a reasonable cost at the single instrument level, but it is feasible to evaluate whether the credit risk increases significantly on the basis of the portfolios, the Group will group other receivables according to their common risk characteristics and evaluate, on a portfolio basis, whether the credit risk has significantly increased. The basis for determining the combination is as follows:

Item	Basis to determine the combinations
Related party combination	All related party customers
Third party combination	All third parties

Where, the expected credit loss rate of the third-party combination is as follows:

Aging	Expected credit loss rate (%)
Within 1 year (inclusive)	5
1-2 years (including 2 years)	10
2-3 years (including 3 years)	30

3-4 years (including 4 years)	50
4-5 years (including 5 years)	80
More than 5 years	100

15. Stock

Applicable Not applicable

The Group's inventories, which mainly consist of real estate development costs, development products, raw materials, packaging, products in progress, goods in stock, and the materials for repairing and maintaining the roads and bridges, are presented at cost and net realizable value, whichever is the lower.

In addition to the real estate development cost and development products, the inventory system adopts the perpetual inventory system, and the inventory is valued according to the actual cost when it is obtained; except the real estate development cost and development products, the actual cost of other inventory collection and delivery shall be determined by the weighted average method.

Real estate development cost and development product cost include land cost, construction and installation cost, capitalized interest and other direct and indirect development costs related to real estate development; development cost is carried forward to development product according to actual cost after completion; development product is accounted to actual cost while carrying forward the cost.

The public supporting facilities included in the construction and installation costs refer to the public supporting projects approved by the relevant government departments; the expenses occurred for roads, etc. is listed in the development costs and accounted in detail according to the cost accounting objects and cost items; the expenditures of the land for development are also included in the development cost.

The provision for inventory depreciation shall be calculated and withdrawn according to the difference between the inventory cost and its net realizable value. The net realizable value will be determined by subtracting estimated costs to be incurred at completion, estimated selling expenses, and related taxes from estimated selling prices of inventories in daily activities. Perpetual inventory system of the Group shall be applied except for real estate development costs and products development.

16. Contract assets

(1) Methods and standards for the confirmation of contract assets

Applicable Not applicable

The contractual assets are the rights of the Group to receive consideration for the goods that have been transferred to a customer and are subject to the factors other than the passage of time. If the Group sells two clearly distinguishable goods to a customer and is entitled to receive payment for the delivery of one good, but receipt of such payment is contingent on the delivery of the other good, the Group shall regard this right to receive payment as a contractual asset.

(2) The determination method and accounting disposal method of expected credit loss of contract assets

Applicable Not applicable

The determination method of the expected credit loss of the contractual assets shall refer to the above description of notes receivable and accounts receivable.

For the accounting treatment method, the Group calculates the expected credit loss on the contractual assets on the balance sheet date. If the expected credit loss is greater than the carrying amount of the current contractual asset impairment reserves, the Group will recognize the difference as an impairment loss, debit the "asset impairment loss" and credit the "contractual asset impairment reserves". On the contrary, the Group will recognize the difference as impairment gain and keep the opposite accounting records.

If the Group actually suffers credit loss, determines that the relevant contractual assets cannot be recovered, and approves the write-off, it shall, according to the approved write-off amount, debit the "contractual asset impairment reserve" and credit the "contractual assets". If the amount of the write-off is greater than the loss reserves already withdrawn, the "impairment loss of assets" shall be debited according to the difference.

17. Held-for-sale assets

Applicable Not applicable

18. Debt investment

(1) The determination method and accounting disposal method of expected credit loss of debt investment.

Applicable Not applicable

The Group measures the creditors' investment loss reserve in accordance with the following circumstances:

① the Group measures the loss reserves for the financial assets whose credit risk has not increased significantly since the initial recognition in accordance with the expected amount of credit loss in the next 12 months; ② the Group measures the loss reserves for the financial assets whose credit risk has increased significantly since the initial recognition in accordance with the amount equivalent to the expected credit loss within the entire duration of the financial instrument; ③ the Group measures the loss reserves for the purchased or original financial assets that have undergone credit impairment in accordance with the amount equivalent to the expected credit loss within the entire duration.

19. Other investment on bonds

(1) The determination method and accounting disposal method of expected credit loss of other debt investments.

Applicable Not applicable

The Group measures other creditors' investment loss reserves in accordance with the following circumstances:

① the Group measures the loss reserves for the financial assets whose credit risk has not increased significantly since the initial recognition in accordance with the expected amount of credit loss in the next 12 months; ② the Group measures the loss reserves for the financial assets whose credit risk has increased significantly since the initial recognition in accordance with the amount equivalent to the expected credit loss within the entire duration of the financial instrument; ③ the Group measures the loss reserves for the purchased or original financial assets that have undergone credit impairment in accordance with the amount equivalent to the expected credit loss within the entire duration.

The Group adjusts other comprehensive income while recording impairment loss or gain into current profit and loss.

20. Long-term receivables

(1) **Determination method and accounting disposal method of expected credit loss of long-term receivables.**

Applicable Not applicable

21. Long-term equity investments

Applicable Not applicable

The long-term equity investment of the Group mainly refers to the investment in subsidiaries and associated enterprises.

When the Group directly or indirectly owns more than 20% (including) but less than 50% voting rights of the investee, it is generally considered that the Group is able to exercise significant influence over the investee. In case of holding less than 20% of the voting rights of the invested entity, it is also necessary to comprehensively consider the facts and situations such as sending representatives to the board of directors or similar authorities of the invested entity, or participating in the financial and operational policy-making process of the invested entity, or carrying out important transactions with the invested entity, or sending management personnel to the invested entity, or providing key technical information to the invested entity have a significant impact on the invested entity.

The subsidiaries of the Group has the right of control on the invested entity. For long-term equity investment acquired by business combination under the same control, the share of book value of the net assets of the combined party in the ultimate consolidated financial statements of the controller on the date of merger shall be taken as the initial investment cost of the long-term equity investment. If book value of the net assets of the merged party on the date of merger is negative, the cost of long-term equity investment shall be recognized as zero.

If the company obtains the equity of the invested entity under the same control step by step through multiple transactions, and finally forms the business combination, it shall supplement and disclose the disposal method of long-term equity investment in the financial statement of the parent company during the reporting period when the right of control is obtained. For example, if the equity of the invested entity under the same control is acquired step by step through multiple transactions, and the business combination is finally formed, which belongs to the package deal, the Group will take all transactions as one transaction obtaining the control right for accounting purpose. If it is not a package deal, the share of the book value of the merged party's net assets in the consolidated financial statements of final controlling party after the merger shall be taken as the initial investment cost of the long-term equity investment on the merger date. The difference between the initial

investment cost and the sum of the book value of the long-term equity investment before the merger plus the book value of the newly paid consideration on the merger date shall be adjusted for capital reserve. If the capital reserve is insufficient for offset, the retained earnings shall be offset.

For the long-term equity investment obtained through business combination not under the same control, the combination cost shall be taken as the initial investment cost.

If the company obtains the equity of the invested entity not under the same control step by step through multiple transactions, and finally forms the business combination, it shall supplement and disclose the disposal method of long-term equity investment in the financial statement of the parent company during the reporting period when the right of control is obtained. For example, if the equity of the invested entity not under the same control is acquired step by step through multiple transactions, and the business combination is finally formed, which belongs to the package deal, the Group will take all transactions as one transaction obtaining the control right for accounting purpose. If it is not a package deal,

the initial investment cost calculated according to the cost method shall be the sum of the book value of the originally held equity investment and the newly increased investment cost. If the equity held before the date of purchase is accounted by the equity method, the other relevant comprehensive income accounted by the original equity method will not be adjusted temporarily. When disposing such investment, the accounting disposal shall be conducted on the same basis as the direct disposal of relevant assets or liabilities by the invested entity. If the equity held before the date of purchase is accounted for at fair value in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, the changes in accumulated fair value originally included in the other comprehensive income is transferred to the retained earnings on the date of merger.

In addition to the above-mentioned long-term equity investment obtained through business combination, the long-term equity investment obtained by cash shall be regarded as the investment cost according to the actually paid purchase price; the long-term equity investment obtained by issuing equity securities shall be regarded as the investment cost according to the fair value of issued equity securities; the value stipulated in the investment contract or agreed value in the agreement shall be taken as the investment cost for long-term equity investment by the investor.

The investment of the Group in subsidiaries is accounted by the cost method, and the investment in associated enterprises is accounted by the equity method.

For the long-term equity investment accounted for by cost method in subsequent measurements, the book value of cost of the long-term equity investment should be increased in accordance with fair value of the cost paid by the additional investment and the related transaction costs incurred when the additional investment is made. The cash dividends or profits declared to be distributed by the invested entity shall be recognized as the current investment income according to the entitled amount.

For the long-term equity investment which is calculated by the equity method in subsequent measurements, the book value of the long-term equity investment shall be increased or decreased accordingly as the owner's equity of the investee changes. While confirming the share of the net profit and loss of the invested entity, the net profit of the invested entity shall be adjusted on the basis of the fair value of all identifiable assets at the time of acquiring the investment. According to the accounting policies and accounting period of the Group, offset the part of the profit and loss arising out of internal transaction with associated enterprise and that belongs to the investing enterprise and is calculated according to the shareholding ratio. Recognition shall be made after adjusting the net profit for the invested entity.

When disposing of long-term equity investment, include the difference between its book value and the actual price obtained into the current return on investment. If the long-term equity investment accounted by the equity method is included in the owner's equity due to other changes in the owner's equity of the invested entity except for the net profit and loss, the part originally included in the owner's equity shall be transferred into the current investment profit and loss according to the corresponding proportion while accounting this investment.

If disposal of part of the equity investment causes loss of the significant influence over the investee, the residual equity after disposal shall be accounted in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, the difference between fair value and carrying value of the remaining equity on the date of the loss of significant influence is included in the current profits and losses. Other comprehensive income of the former equity investment recognized by the equity method shall be treated on the same basis as related assets or liabilities directly disposed by the investee when the equity method is terminated.

If disposal of part of the long-term equity investment causes loss of the control over the investee, and the residual equity after disposal is able to exercise joint control or exert significant influence over the investee, accounting is changed to be carried out in accordance with the equity method, the difference between book

value of the disposed equity and the disposal consideration is included into the investment income, and the residual equity is regarded to be accounted and adjusted in accordance with the equity method from the date of acquisition; if the residual equity after disposal is unable to exercise joint control or exert significant influence over the investee, it shall be accounted in accordance with the Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments, the difference between book value of the disposed equity and the disposal consideration is included in the investment income, while the difference between fair value and book value of the residual equity on the date of loss of control is included in the current investment profits and losses.

If the transactions with equity disposed by the Group step by step to the loss of control do not belong to a package deal, each transaction shall be accounted separately. If it belongs to "package deal", all transactions shall be accounted as one transaction for accounting purpose. However, before losing control, the difference between the disposal price of each transaction and the book value of the long-term equity investment corresponding to the disposed equity shall be recognized as other comprehensive income and shall be transferred into the current profit and loss at the time of losing control.

22. Investment real estates

(1) If the cost measurement model is adopted: depreciation or amortization method

The Group's investment real estate includes leased buildings. The cost model is adopted for measurement:

The investment real estate of the Group is depreciated or amortized by straight line method. The estimated service life, net residual value ratio and annual depreciation (amortization) ratio of various types of investment real estate are as follows:

Category	Period of depreciation	Expected salvage value rate	Annual depreciation rate
Buildings	20-40	3-5	2.40-4.85

23. Fixed assets

(1) Recognition condition

Applicable Not applicable

The fixed assets of the Group have the following characteristics: the tangible assets held for the production of commodities, provision of labor service, leasing or operation and management with the service life of more than one year.

Fixed assets shall be recognized when the economic benefit in connection therewith may flow into the Group and the cost can be reliably measured. The fixed assets of the Group include road property, houses and buildings, machinery and equipment, transportation equipment, electronic, electrical and communication equipment, instruments and meters, measurement standard apparatus and other equipment.

Subsequent expenditure related to the fixed assets can be incorporated in their cost if the economic benefits related to them are likely to flow into the Group and their cost can be reliably measured; the book value of the replaced portion shall be derecognized; all other subsequent expenditures are included in the current profit or loss whenever incurred.

The highway properties include railways, highways, bridges, structures and safety facilities. Before July 1, 2015, the depreciation of road property shall be accrued by the straight line method, that is, the depreciation shall be accrued by the straight-line method according to the net book value within the toll term. Since July 1, 2015, the depreciation of highway properties except railway will be calculated and withdrawn according to the vehicle flow method. That is, the annual depreciation is calculated according to the ratio of the actual vehicle flow in a given year to the estimated total vehicle flow during the remaining charging period. The accumulated depreciation is equal to the total original value of the above-mentioned road property after the expiry of operation period. The depreciation of other fixed assets shall be calculated and withdrawn within the expected service life by straight-line method after subtracting the expected residual value from entry value. For the fixed assets that have been prepared for impairment, the depreciation amount shall be determined based on the book value after deducting the impairment provision and the serviceable life in the future.

In addition to the fixed assets that have been fully depreciated and are still in use and the land separately priced and recorded in the account, the Group shall calculate the depreciation of all fixed assets. Except that depreciation of the assets in highway properties is calculated and withdrawn by vehicle flow method, the composite life method shall be used to calculate and withdraw depreciation of other assets. Except that depreciation of the assets in highway properties is calculated and withdrawn by vehicle flow method, the

classified depreciation life, estimated net residual value rate and depreciation rate of the remaining fixed assets of the Group are as follows:

(2) Depreciation method

√ Applicable Not applicable

Category	Depreciation period (year)	Ratio of remaining value	Annual depreciation rate
Road property	40-100	3-5	0.95-2.38
Houses and Buildings	3-40	3-5	2.4-32.3
Mechanical equipment	3-25	3-5	3.8-32.3
Transport equipment	3-15	3-5	6.3-32.3
Electronic, electrical and communication equipment	3-30	3-5	3.2-32.3
Instrumentation and standard measuring instrument	3-10	3-5	9.5-32.3
Other Equipment	3-15	3-5	6.3-32.3

At the end of each year, the expected operating life, estimated net residual value and depreciation method of fixed assets of the Group shall be reviewed. If there is a change, it will be treated as an accounting estimate change.

(3) Determination basis, valuation and depreciation method of fixed assets through finance lease

√ Applicable Not applicable

The entry value of the leased fixed assets shall be the lower value between the original book value of the leased assets and the current value of the minimum lease payment. The difference between the entry value of the leased asset and the minimum lease payment is regarded as the unrecognized financing expense.

The fixed assets under financing lease shall use the depreciation policy consistent with its own fixed assets. If it can be reasonably determined that the ownership of the leased asset will be obtained at the end of the lease term, the leased fixed asset shall be depreciated within its expected service life; otherwise, the leased fixed asset shall be depreciated within the lease term and the expected service life of the asset, which is shorter.

24. Construction in process

√ Applicable Not applicable

From the date reaching the intended usable state, the construction in progress shall be carried over to fixed assets according to the estimated value, based on the project budget, construction cost or actual cost of the project, and the depreciation shall be made from the next month, and the original value difference of the fixed assets shall be adjusted after the completion of final accounting procedures.

25. Borrowing costs

√ Applicable Not applicable

For the borrowing expenses incurred can be directly attributed to fixed assets, investment real estate and inventories which need to undergo purchase and construction or production activities for more than one year before they can reach the intended usable or saleable state, they can be capitalized when expenditure on the assets has been incurred, the borrowing costs have been incurred, and the construction or production activities necessary to make the assets available for use or sale have begun; the capitalization shall be stopped when the purchased and constructed or produced assets that meet the capitalization conditions reach the predetermined usable or saleable state, and the borrowing expenses incurred thereafter shall be included into the current profits and losses. Where the acquisition and construction or production of an asset eligible for capitalization is interrupted abnormally and the interruption period has lasted for more than 3 months, capitalization of borrowing cost shall be suspended.

The amount shall be capitalized after the interest expenses actually incurred from the specific borrowing at current period deducting the interest income obtained from deposit of unused borrowing capital into the bank or the investment income obtained from temporary investment; for the general borrowings, the capitalized amount shall be determined through multiplying the weighted average of the part of accumulative asset

expenditure beyond the asset expenditure of specific borrowings by the capitalization rate of the general occupied borrowings. The capitalization rate shall be determined per regular borrowings weighted average rate.

26. Biological assets

Applicable Not applicable

27. Oil and gas assets

Applicable Not applicable

28. Right-of-use assets

Applicable Not applicable

29. Intangible assets

(1) Valuation method, service life and impairment test.

Applicable Not applicable

The intangible assets of the Group include the franchise rights ("toll road operation rights") obtained by BOT to participate in toll road construction business, land use rights, mining rights, exploration rights, purchased office software and parking space use rights not under toll road franchise and shall be measured according to the actual cost at the time of acquisition. Where the purchased intangible assets shall take the actual cost and other relevant expenses as the actual cost; as for the intangible assets invested by investors, the actual cost shall be determined according to the value agreed in the investment contract or agreement, but if the value agreed in the contract or agreement is not fair, the actual cost shall be determined according to the fair value; as for the intangible assets invested by the state-owned shareholders during the reconstruction of the company, the evaluation value confirmed by the state-owned asset management department shall be applied as the entry value.

Toll road franchise refers to the franchise rights granted by the government to the Group to participate in toll road construction by means of BOT and the Group shall be responsible for providing subsequent operation services and charging the public for a certain period after the completion of construction. At the expiration of the franchise rights, the initial construction cost of the roads and structures to be returned to the government and the related land use rights by the Japanese group shall be accounted as the acquisition cost of the toll road franchise rights; at the expiration of the franchise rights, the safety facilities, communication equipment and charging facilities that need not be returned to the government shall be accounted as fixed assets.

Before July 1, 2015, the amortization of toll road franchise is amortized by straight-line method. Since July 1, 2015, the toll road franchise is amortized by traffic flow method instead of the original straight-line method, that is, the annual amortization amount is calculated according to the proportion of the actual traffic flow in a specific year and the estimated total traffic flow in the remaining toll period.

The mining rights are amortized by the production method based on the proven reserves of mines.

In addition to toll road franchise rights and mining rights, the classification, estimated service life and amortization method of other intangible assets of the group are as follows:

S/N	Category of assets	Expected useful life (year)	Amortization method	Note
1	Land use rights	18-40	Straight-line method	
2	Office software	5	Straight-line method	
3	Right to use parking space	10-30	Straight-line method	

The estimated service life and amortization method of intangible assets with limited service life shall be reviewed at the end of each year. If there is any change, it will be treated as accounting estimation change.

(2) Accounting policy for internal R&D expenditures

Applicable Not applicable

30. Long-term asset impairment

Applicable Not applicable

On each balance sheet date, the Group checks long-term equity investment, investment real estate measured by cost mode, fixed assets, construction in progress and intangible assets with limited service life. When there is any sign of impairment, the Group will conduct impairment test. For intangible assets with uncertain goodwill and service life, impairment tests shall be conducted at the end of each year, regardless of whether

there are signs of impairment. If the result of impairment test indicates that the recoverable amount of assets is less than its book value, the impairment reserves are accrued at the difference and included in the impairment losses.

The recoverable amount is the higher one between the net amount after the fair value of the asset minus the disposal expense and the current value of expected future cash flow of the asset. Asset impairment reserves shall be calculated and determined on the basis of single asset. If the recoverable value of single asset is difficult to estimate, the recoverable amount shall be determined by the asset group of the asset. Asset group is the minimum asset group able to create the cash flow separately.

For the business goodwill individually listed in the financial statements, whether there is the impairment sign, the impairment test shall be conducted at least every year. In the impairment test, the book value of the business goodwill is allocated to the asset group or asset group portfolio that is expected to benefit from the synergistic effect of the business combination. Where the test results show that the recoverable amount containing the asset group or the combination of asset groups of amortized goodwill is lower than its book value, the corresponding impairment losses shall be recognized. The amount of impairment losses is obtained by deducting the book value of goodwill amortized to its asset group or combination of asset groups first, and then deducting the book values of other assets according to their proportion in the asset group or combination of asset groups other than the goodwill.

Once the above-mentioned asset impairment losses are recognized, they shall not be returned in the future accounting period.

31. Long-term deferred expenses

Applicable Not applicable

The long-term unamortized expenses of the Group refer to the expenses that have been paid but have a benefit period of more than one year (excluding one year), which are priced at the actual cost and amortized averagely by the straight-line method within the benefit period. If the long-term unamortized expense item cannot benefit the future accounting period, the amortized value of the item that has not been amortized shall be transferred to the current profit and loss.

32. Contract liabilities

(1) Recognition method of contractual liabilities

Applicable Not applicable

Contract liabilities reflect the obligation of the Group to transfer goods to customers for consideration received or receivable from customers. If the customer has paid the contract consideration or the Group has obtained the right to receive the contract consideration unconditionally before transferring the goods to the customer, the contract liability shall be recognized according to the amount received or receivable at the time of the actual payment or the due payment, whichever comes first.

33. Employee compensation

(1) Accounting treatment methods for short-term compensation

Applicable Not applicable

The employee remuneration of the Group includes short-term remuneration, post employment welfare, dismissal welfare and other long-term welfare.

Short term salary mainly includes employee salary, bonus, allowance and subsidy, employee welfare, medical insurance, work-related injury insurance, maternity insurance, housing accumulation fund, labor union funds, employee education funds, short-term paid absence, etc. during the accounting period when employees provide services, the actual short-term salary is recognized as the liability and is included in the current profit and loss or equivalent according to the benefit object.

(2) Accounting treatment methods for post-employment benefits

Applicable Not applicable

Employment benefits after resignation mainly include basic endowment insurance premiums, etc. and can be classified into defined contribution plans and defined benefit plans according to the risks and obligations undertaken by the company. As for the defined contribution plan, the contribution paid to the separate entity in exchange for the services provided by employees during the accounting period on the balance sheet date is recognized as the liability and shall be included in the current profit and loss or related asset costs according to the benefit object.

(3) Accounting treatment methods for termination benefits

Applicable Not applicable

The dismissal welfare provided to the employees shall be recognized as the employee compensation liability arising from the dismissal welfare at the earlier date of the following and shall be included in the current profit and loss: (1) when the company cannot unilaterally withdraw the dismissal welfare provided due to the termination of labor relationship plan or reduction proposal; (2) when the company confirms the costs or expenses related to the reorganization involving the payment of the dismissal welfare.

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

Applicable Not applicable

For other long-term benefits provided to employees that meet the conditions of defined contribution plan, accounting disposal shall be carried out in accordance with the relevant provisions of defined contribution plan; for other long-term benefits, accounting disposal shall be carried out in accordance with the relevant provisions of defined benefit plan. At the end of the reporting period, the company shall recognize the employee compensation cost generated by other long-term employee benefits as follows:

- (1) Service costs;
- (2) Net interest of net liabilities or net assets of other long-term employee benefits;
- (3) Re-measure the changes in net liabilities or net assets of other long-term employee benefits.
- (4) In order to simplify the relevant accounting disposal, the total net amount of the above items shall be included in the current profits and losses or relevant asset costs.

34. Lease liabilities

Applicable Not applicable

35. Estimated liabilities

Applicable Not applicable

When the business related to contingencies such as external guarantee, commercial acceptance bill discount, pending litigation or arbitration meets the following conditions at the same time, the Group will recognize it as the liability: the obligation is the current obligation undertaken by the Group; the performance of the obligation is likely to cause economic benefits out of the enterprise; the amount of the obligation can be reliably measured.

36. Share-based payment

Applicable Not applicable

The equity-settled share-based payment in exchange for services rendered by employees is measured at the fair value of the equity instruments granted to employees at the date of granting. The fair value is measured based on the best estimate of the number of vesting equity instruments in the waiting period and included in the relevant costs or expenses by the straight-line method when its right is exercised only after the service in the waiting period is completed or the specified performance conditions are met, and the capital reserve is increased accordingly.

The cash-settled share payment is measured according to the fair value of liabilities determined based on shares or other equity instruments undertaken by the Group. If the right is exercised immediately after the grant, the fair value of the liabilities assumed on the date of the grant is included into the relevant costs or expenses, and the liabilities are increased accordingly; if the right can be exercised after the service within the waiting period is completed or the specified performance conditions are met, on each balance sheet date of the waiting period, based on the best estimate of the vesting, and the fair value of the Group's liabilities, the services obtained in the current period are included in costs or expenses, and the liabilities are adjusted accordingly.

In each balance sheet date and the date of settlement before the settlement of the relevant liabilities, re measure the fair value of liabilities, the changes recorded in the current profits and losses.

If the Group cancels the granted equity instruments within the waiting period (except those cancelled due to failure to meet the conditions for exercise), it shall be treated as accelerating exercise, that is, it is deemed that the equity payment plan within the remaining waiting period has fully met the conditions for exercise, and all expenses within the remaining waiting period shall be recognized in the current period when the granted equity instruments are cancelled.

37. Preferred shares, perpetual bonds and other financial instruments

Applicable Not applicable

Preferred shares and perpetual bonds classified as debt instruments shall be initially measured at their fair value after deducting transaction costs, and subsequently measured at amortized cost by the actual interest method. Their interest expense or dividend distribution shall be treated as borrowing costs, and the gains or losses arising from their repurchase or redemption shall be included in the current profits and losses.

For preferred stocks and perpetual bonds classified as equity instruments, the consideration received at the time of issuance is treated to increase the owner's equity after deducting transaction costs, with interest expense or dividend distribution treated as profit distribution, and repurchase or cancellation treated as equity change.

38. Income

(1) Accounting policy for income recognition and measurement

Applicable Not applicable

The Group's operating income mainly includes vehicle toll income, railway transportation income, commodity sales income and labor service income.

The Group recognizes income when it fulfills the performance obligation in the contract, that is, when the customer obtains control over the relevant goods or services.

If two or more performance obligations are included in the contract, the Group shall apportion the transaction price to each individual performance obligation at the beginning of the contract according to the relative proportion of the individual selling price of the goods or services promised by each single performance obligation, and measure the income according to the transaction price apportioned to each individual performance obligation.

Transaction price refers to the amount of consideration that the Group is expected to be entitled to receive due to the transfer of goods or services to customers, excluding the amount collected on behalf of a third party. The transaction price recognized by the Group shall not exceed the amount that the accumulated recognized income is unlikely to have significant reversal when the relevant uncertainty is eliminated. The amount expected to be returned to the customer is not included in the transaction price as a liability. In case of significant financing in the contract, the Group shall recognize the transaction price according to the amount payable in cash when the customer obtains the control over goods or services. The difference between the transaction price and the contract consideration shall be amortised with the effective interest method during the contract period. On the commencement date of the contract, if the interval between the customer's acquisition of control over the goods or services and the customer's payment is not more than one year, the significant financing in the contract shall not be considered.

The Group shall perform its performance obligations within a certain period of time when one of the following conditions is met; otherwise, it shall perform the performance obligation at a certain time point:

1. While the Group is performing the contract, the customer obtains and consumes the economic benefits brought by the group's performance.
2. Customers can control the products under construction during the Group's performance.
3. The goods produced in the process of the Group's performance have irreplaceable uses, and the Group is entitled to collect money for the performance part that has been completed so far during the whole contract period.

For the performance obligations performed in a certain period of time, the Group shall recognize the income according to the performance progress in that period, and determine the performance progress according to the output method. When the performance progress cannot be reasonably determined, if the cost incurred by the Group is expected to be compensated, the income shall be recognized according to the cost amount incurred until the performance progress can be reasonably determined.

For the performance obligations performed at a certain time point, the Group shall recognize the income at the time point when the customer obtains control over the relevant goods or services. When judging whether a customer has acquired control over goods or services, the Group shall consider the following signs:

1. The Group has the current right to receive payment for the goods or services.
2. The Group has transferred the legal ownership of the goods to the customer.
3. The Group has transferred the goods in kind to customers.
4. The Group has transferred the main risks and rewards in the ownership of the goods to customers.
5. The customer has accepted the goods or services, etc.

The Group's right to receive consideration after transferring goods or services to customers is listed as contract assets, and contract assets are devalued on the basis of expected credit losses. The Group's unconditional right to receive consideration from customers is listed as receivables. The Group's obligation

to transfer goods or services to customers after receiving receivable considerations of goods from customers is listed as contract liabilities.

(2) Differences in revenue recognition accounting policies caused by different operation models of similar businesses

Applicable Not applicable

39. Contract cost

Applicable Not applicable

(1) Recognition method of asset amount related to contract cost

The Group's assets related to contract costs include contract performance costs and contract acquisition costs. Contract performance cost, that is, the cost incurred by the Group for the performance of the contract, does not fall within the scope of other accounting standards and meets the following conditions, but it is recognized as an asset: the cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer and other costs incurred only as a result of the contract; the cost increases the resources of the Group for performing its performance obligations in the future; the cost is expected to be recovered.

Contract acquisition cost, that is, the incremental cost incurred by the Group to obtain the contract is expected to be recovered, shall be recognized as an asset as the contract acquisition cost; if the amortization period of the asset does not exceed one year, it shall be included in the current profit and loss when it occurs. Incremental cost refers to the cost (such as sales commission) that the Group will not incur without obtaining the contract. Other expenses incurred by the Group to obtain the contract other than the expected incremental cost (such as travel expenses that will occur regardless of whether the contract is obtained) are included in the current profit and loss when they occur, except for those that are clearly borne by the customer.

(2) Amortization of assets related to contract costs

The Group's assets related to contract costs are amortized on the same basis as the recognition of goods income related to the asset and included in the current profit and loss.

(3) Impairment of assets related to contract costs

When recognizing the impairment loss of assets related to the contract cost, the Group shall first recognize the impairment loss of other assets related to the contract and recognized in accordance with other relevant corporate accounting standards; then, based on the fact that the book value is higher than the difference between the residual consideration expected to be obtained by the Group due to the transfer of the goods related to the asset and the estimated cost to be incurred for the transfer of the relevant goods, the excess part shall be withdrawn for impairment provision and recognized as asset impairment loss.

If the factors of impairment in the previous period change later, causing the above-mentioned difference is higher than the book value of the asset, the original provision for impairment of the asset shall be reversed and included in the current profit and loss, but the book value of the asset after reversal shall not exceed the book value of the asset on the reversal date without provision for impairment.

40. Government subsidy

Applicable Not applicable

The government subsidies of the Group are monetary assets or non monetary assets obtained from the government at free cost including tax refund, financial subsidies, etc. Among them, government subsidies related to assets refer to the government subsidies obtained by the Group for the purchase and construction or the formation of long-term assets in other ways; government subsidies related to income refer to government subsidies other than those related to assets. In case no subsidy object is clearly specified in the government document, the Group will make a judgment as per the above-mentioned principle of distinction. If the types of subsidies are hard to be distinguished, all subsidies shall be classified as subsidies related to income.

If the government subsidies are monetary assets, they shall be measured according to the amount actually received; if the government subsidies are allocated according to a fixed quota standard, or if there is conclusive evidence at the end of the year that the relevant conditions stipulated in the financial support policy are complied and it is expected to receive financial support funds, they shall be measured according to the amount of receivables; where government subsidies are non-monetary assets, they shall be measured at fair value; if the fair value cannot be obtained reliably, it shall be measured according to the nominal amount (1 Yuan).

The government subsidies related to assets are recognized as deferred income, and the government subsidies

related to assets are recognized as deferred income. Within the service life of relevant assets, they are included in the current profits and losses in phases according to the reasonable and systematic method.

Where the relevant assets are sold, transferred, scrapped or damaged before the end of their useful lives, the balance of undistributed relevant deferred incomes shall be transferred to the current profits or losses of the asset disposal.

Government subsidies related to income, which are used to compensate for related costs or losses in subsequent periods, shall be recognized as deferred income and included in current profit and loss during the period when relevant cost or loss are recognized. Government subsidies related to daily activities shall be included in other incomes according to the essence of economic business. Government subsidies irrelevant to daily activities shall be incorporated into non-operating income and expense.

In terms of interest subsidies for policy-related preferential loan the Group obtains, there are two situations where the fiscal department appropriates interest subsidies to the lending bank or directly to the Group, and accounting treatment shall be conducted as per the following principles:

- (1) If the finance department allocates the discount fund to the lending bank, and the lending bank provides the loan to the Group at the preferential policy interest rate, the Group shall take the actual received amount as the entry value of the loan and calculate the relevant borrowing cost according to the loan principal and the preferential policy interest rate.
- (2) In case the fiscal department appropriates interest subsidies directly to the Group, the Group will offset related borrowing costs with corresponding interest subsidies.

In case the Group is required to return the government grants that have been recognized, the Group shall conduct accounting treatment based on actual situation within the current period in which the return is required as per the following provisions:

- (1) Where related deferred income exists, the book value of related deferred income shall be offset and the exceeding part shall be recorded into the current profits and losses.
- (2) In other cases, it is directly included in the profits and losses of the current period.

41. Deferred income tax assets/deferred income tax liabilities

Applicable Not applicable

The Group calculates and recognizes its deferred income tax assets and deferred income tax liabilities based on the difference (temporary differences) between the tax base of assets and liabilities and their book value. For the deductible losses that can be deducted from taxable income in the following years according to the taxation regulations, the corresponding deferred income tax assets shall be recognized. Temporary differences arising from initial recognition of the business goodwill are not recognized as the corresponding deferred income tax liabilities. For temporary differences formed by the initial recognition of assets or liabilities arising from non-business combination transactions that neither affect accounting profits nor taxable income (or deductible losses), the corresponding deferred income tax assets and deferred income tax liabilities are not recognized. On the balance sheet date, deferred income tax assets and deferred income tax liabilities shall be accounted for at the anticipated tax rate applicable to the recovery of the assets or the settlement of the liabilities.

The Group recognizes the deferred income tax assets to the extent that it is likely to obtain the future taxable income used to offset the deductible temporary differences, deductible losses and tax credits.

42. Lease

- (1) Accounting disposal method for lease operation

Applicable Not applicable

The Group, as the lessee of the operating leasing, shall record the rent into related asset costs or current profits and losses based on straight-line method during various phases within the lease term, and the lesser shall recognize the rent as revenue based on straight-line method during various phases within the lease term.

- (2) Accounting treatment of financial lease

Applicable Not applicable

When the group is the lessor of financial leasing, on the start date of the lease term, the sum of the minimum lease receipts and the initial direct cost on the lease start date shall be taken as the entry value of the financial leasing receivables, and the unguaranteed residual value shall be recorded at the same time; the difference from the sum of the minimum lease receipts, the initial direct costs and the unguaranteed residual value against the sum of their current values shall be recognized as unrealized financing income; for the unrealized financing during the lease term, the asset income shall be calculated and recognized according to the actual

interest method; the contingent rent shall be included in the current profit and loss when it actually occurs.

When the group is the lessee of financial leasing, the lower of the fair value of the leased assets and the current value of the minimum lease payment on the lease start date shall be taken as the entry value of the fixed assets under financial leasing, the minimum lease payment shall be taken as the entry value of the long-term payables, and the difference between the two shall be recorded as unrecognized financing expenses.

(3) Determination method and accounting disposal method of lease under the new lease standard

Applicable Not applicable

43. Other important accounting policies and accounting estimates

Applicable Not applicable

44. Changes in important accounting policies and accounting estimates

(1) Changes in important accounting policies

Applicable Not applicable

Contents and reasons for the changes of accounting policies	Approval procedure	Remarks (Description and Amount of Affected Important Statement Entries)
The Ministry of Finance promulgated the revised Accounting Standards for Enterprises No.14-Revenues in 2017. The Company has implemented the above standards since January 1, 2020, and made corresponding adjustments to the financial statements on January 1, 2020 in accordance with the provisions on convergence of the above standards.	CK [2017] No. 22	

Other statements

None.

(2) Changes in important accounting estimates

Applicable Not applicable

(3) Adjustment of the financial statements at the beginning of 2020 according to the new revenue standard and new lease standard for the first time

Applicable Not applicable

Consolidated Balance Sheet

Unit: yuan Currency: CNY

Item	December 31, 2019	January 1, 2020	Adjustment
Current assets:			
Monetary funds	1,816,616,192.72	1,816,616,192.72	
Deposit reservation for balance			
Funds lent			
Trading financial assets			
Derivative financial assets			
Notes receivable	166,046,781.89	166,046,781.89	
Accounts receivable	216,250,199.80	216,250,199.80	
Receivables financing	108,547,434.59	108,547,434.59	
Advanced payment	181,264,318.42	181,264,318.42	
Premiums receivable			
Reinsurance accounts receivable			

Reserves for reinsurance contract receivable			
Other receivables	5,363,935,525.48	5,363,935,525.48	
Including: Interest receivable			
Dividends receivable	524,516,294.16	524,516,294.16	
Redemptory monetary capital for sale			
Stock	1,914,874,948.39	1,750,858,863.27	-164,016,085.12
Contract assets		163,571,761.20	163,571,761.20
Held-for-sale assets			
Non-current assets due within one year	88,000,000.00	88,000,000.00	
Other current assets	1,207,089,124.63	1,207,089,124.63	
Total Current Assets	11,062,624,525.92	11,062,180,202.00	-444,323.92
Non-current assets:			
Disbursement of loans and advances			
Debt investment	2,288,507,600.00	2,288,507,600.00	
Other investment on bonds			
Long-term receivables			
Long-term equity investments	10,876,650,896.87	10,876,650,896.87	
Other equity instrument investment	354,424,450.19	354,424,450.19	
Other non-current financial assets	5,667,934,389.21	5,667,934,389.21	
Investment real estates	755,113,614.14	755,113,614.14	
Fixed assets	9,609,521,167.21	9,609,521,167.21	
Construction in process	2,530,414,811.07	2,530,414,811.07	
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	42,329,746,220.35	42,329,746,220.35	
Development expenditure			
Goodwill			
Long-term deferred expenses	8,123,554.12	8,123,554.12	
Deferred income tax assets	616,223,885.62	616,334,966.60	111,080.98
Other non-current assets	1,923,575,663.99	1,923,575,663.99	
Total non-current assets	76,960,236,252.77	76,960,347,333.75	111,080.98
Total assets	88,022,860,778.69	88,022,527,535.75	-333,242.94
Current liabilities:			
Short-term loans	568,567,899.41	568,567,899.41	
Borrowing from the central bank			
Loans from other banks and other financial institutions			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	33,211,430.37	33,211,430.37	

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Accounts payable	5,020,997,647.35	5,020,997,647.35	
Advance receipt	233,063,704.00	86,920,719.72	-146,142,984.28
Contract liabilities		134,948,906.19	134,948,906.19
Financial assets sold for repurchase			
Receipt of deposits and deposits from other banks			
Funds received as agent of stock exchange			
Acting underwriting securities			
Payroll payable	90,270,532.45	90,270,532.45	
Taxes payable	796,192,749.13	796,192,749.13	
Other payables	2,660,600,796.25	2,660,600,796.25	
Where: Interest payable			
Dividends payable	25,917,525.46	25,917,525.46	
Handling charges and commissions payable			
Cession insurance premiums payable			
Liabilities held for sale			
Other non-current liabilities due within one year	2,675,588,903.13	2,675,588,903.13	
Other current liabilities	2,514,549,315.05	2,525,743,393.14	11,194,078.09
Total current liabilities	14,593,042,977.14	14,593,042,977.14	
Non-current liabilities			
Reserve funds for insurance contracts			
Long-term Loans	33,314,036,394.39	33,314,036,394.39	
Bonds payable			
Including: preferred stocks			
Perpetual debt			
Lease liabilities			
Long-term payable	307,170,000.00	307,170,000.00	
Long-term payroll payable	226,850,277.65	226,850,277.65	
Estimated liabilities	89,261,686.31	89,261,686.31	
Deferred Income	1,209,465,555.56	1,209,465,555.56	
Deferred income tax liabilities	908,782,748.28	908,782,748.28	
Other non-current liabilities			
Total non-current liabilities	36,055,566,562.19	36,055,566,562.19	
Total liabilities	50,648,609,539.33	50,648,609,539.33	
Owners' equity (or shareholders' equity)			
Paid-in capital (or capital stock)	4,811,165,857.00	4,811,165,857.00	
Other equity instrument	2,000,000,000.00	2,000,000,000.00	
Including: preferred stocks			
Perpetual debt	2,000,000,000.00	2,000,000,000.00	
Capital reserves	4,836,763,252.70	4,836,763,252.70	
Minus: treasury stocks			

Other comprehensive income	9,953,082.58	9,953,082.58	
Appropriate reserve	82,671,061.69	82,671,061.69	
Surplus reserves	3,164,742,776.43	3,164,742,776.43	
General risk reserves			
Adjustment of the undistributed profits	18,370,546,470.80	18,370,376,516.90	-169,953.90
Total owner's equities (or shareholders' equity) attributable to parent company	33,275,842,501.20	33,275,672,547.30	-169,953.90
Minority equity	4,098,408,738.16	4,098,245,449.12	-163,289.04
Total owner's equities (shareholder's equities)	37,374,251,239.36	37,373,917,996.42	-333,242.94
Total for Liabilities and Owners' Equity (or Shareholders' Equity)	88,022,860,778.69	88,022,527,535.75	-333,242.94

Notes on the adjustment of each item:

Applicable Not applicable

Balance Sheet of the Parent Company

Unit: yuan Currency: CNY

Item	December 31, 2019	January 1, 2020	Adjustment
Current assets:			
Monetary funds	870,975,280.55	870,975,280.55	
Trading financial assets			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing			
Advanced payment	11,562,276.40	11,562,276.40	
Other receivables	4,489,749,765.83	4,489,749,765.83	
Including: Interest receivable			
Dividends receivable			
Stock			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	41,864.44	41,864.44	
Total Current Assets	5,372,329,187.22	5,372,329,187.22	
Non-current assets:			
Debt investment	1,500,000,000.00	1,500,000,000.00	
Other investment on bonds			
Long-term receivables			
Long-term equity investments	22,084,563,217.73	22,084,563,217.73	
Other equity instrument investment	17,614,686.36	17,614,686.36	
Other non-current financial assets			
Investment real estates	103,347,729.63	103,347,729.63	

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Fixed assets	5,944,035,071.13	5,944,035,071.13	
Construction in process	1,523,216,463.56	1,523,216,463.56	
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	26,139,356,460.31	26,139,356,460.31	
Development expenditure			
Goodwill			
Long-term deferred expenses	1,499,423.29	1,499,423.29	
Deferred income tax assets	571,492,951.37	571,492,951.37	
Other non-current assets	2,707,210,551.70	2,707,210,551.70	
Total non-current assets	60,592,336,555.08	60,592,336,555.08	
Total assets	65,964,665,742.30	65,964,665,742.30	
Current liabilities:			
Short-term loans	3,404,762,465.75	3,404,762,465.75	
Trading financial liabilities			
Derivative financial liabilities			
Notes payable			
Accounts payable	4,299,771,896.22	4,299,771,896.22	
Advance receipt	34,980,345.86	32,316,014.86	-2,664,331.00
Contract liabilities		2,513,519.81	2,513,519.81
Payroll payable	3,081,586.76	3,081,586.76	
Taxes payable	514,166,694.40	514,166,694.40	
Other payables	1,427,028,921.60	1,427,028,921.60	
Where: Interest payable			
Dividends payable			
Liabilities held for sale			
Other non-current liabilities due within one year	1,971,942,633.55	1,971,942,633.55	
Other current liabilities	2,514,549,315.05	2,514,700,126.24	150,811.19
Total current liabilities	14,170,283,859.19	14,170,283,859.19	
Non-current liabilities			
Long-term Loans	23,264,718,125.26	23,264,718,125.26	
Bonds payable			
Including: preferred stocks			
Perpetual debt			
Lease liabilities			
Long-term payable	294,000,000.00	294,000,000.00	
Long-term payroll payable	125,852,148.97	125,852,148.97	
Estimated liabilities			
Deferred Income	301,639,375.00	301,639,375.00	
Deferred income tax liabilities	66,701,454.09	66,701,454.09	

Other non-current liabilities			
Total non-current liabilities	24,052,911,103.32	24,052,911,103.32	
Total liabilities	38,223,194,962.51	38,223,194,962.51	
Owners' equity (or shareholders' equity)			
Paid-in capital (or capital stock)	4,811,165,857.00	4,811,165,857.00	
Other equity instrument			
Including: preferred stocks			
Perpetual debt			
Capital reserves	3,723,794,637.56	3,723,794,637.56	
Minus: treasury stocks			
Other comprehensive income	9,953,082.58	9,953,082.58	
Appropriate reserve			
Surplus reserves	3,136,400,886.76	3,136,400,886.76	
Adjustment of the undistributed profits	16,060,156,315.89	16,060,156,315.89	
Total owner's equities (shareholder's equities)	27,741,470,779.79	27,741,470,779.79	
Total for Liabilities and Owners' Equity (or Shareholders' Equity)	65,964,665,742.30	65,964,665,742.30	

Notes on the adjustment of each item:

Applicable Not applicable

(4) Explanation for the date compared with that without adjustment according to the new revenue standard and new lease standard for the first time in 2020

Applicable Not applicable

On July 5, 2017, the Ministry of Finance issued the Notice on Revising and Printing the Accounting Standards for Enterprises No.14-Revenues, which was implemented by the Company from January 1, 2020. According to the new revenue standard's convergence requirements for the conversion of the old and new standards, the Company adjusted the retained earnings at the beginning of the year of the first implementation of the standard and the amount of other related items in the financial statements based on the cumulative impact of the first implementation of this standard, but did not adjust the information for the comparable period since the implementation of the new revenue standard.

45. Others

Applicable Not applicable

VI. Taxes

(1) Main tax categories and tax rate

Main tax categories and tax rate

Applicable Not applicable

Tax categories	Tax basis	Tax rate
VAT	Toll revenue	3%
VAT	Rental revenue, advertising revenue, etc.	5%, 6%, 9% and 13%
Urban maintenance and construction tax	Turnover tax payable	7%, 5%
Education surcharge	Turnover tax payable	5%
Enterprise income tax	Taxable income	15%, 20%, 25%

Statement of disclosure when there are taxpayers with different enterprise income tax rates.

Applicable Not applicable

Name of taxpayer	Income tax rate (%)
Shandong High Speed Railway Construction Equipment Co., Ltd.	15
Shandong Ludao Construction Engineering Co., Ltd.	20
Shandong Ruiyuan Logistics Co., Ltd.	20
Shandong Hi-Speed Sulianyun Technology Co., Ltd.	20

(2) Tax preference

Applicable Not applicable

According to the relevant provisions of the Notice on the Implementation of the Inclusive Tax Relief Policy for SMEs, Shandong Ludao Construction Engineering Co., Ltd., Shandong Ruiyuan Logistics Co., Ltd. and Shandong Hi-speed Sulianyun Technology Co., Ltd., subsidiaries of the Group, is recognized as a SME, and the part of its annual taxable revenue not exceeding RMB 1 million will be included in the taxable revenue by 25% and the enterprise revenue tax will be paid at the rate of 20%; for the part of the annual taxable revenue more than RMB 1 million but not exceeding RMB 3 million, 50% of the amount shall be included in the taxable revenue and revenue tax shall be paid according to the rate of 20%.

High-tech enterprises that China needs to give major support shall be subject to an enterprise income tax rate of 15% in accordance Article 28 of the Law of the People's Republic of China on Enterprise Income Tax issued through No.63 of Order of the President of the People's Republic of China (Paragraph 2). Shandong High Speed Railway Construction Equipment Co., Ltd., a subsidiary of the Group, has filed the high-tech enterprise preferential matters with the Linqu County Local Taxation Bureau in December 2020. The high-tech enterprise certificate number is: GR202037000145; the document certificate validity period is: from December 7, 2020 to December 6, 2022.

(3) Others

Applicable Not applicable

According to the relevant provisions of the Provisions of the Pilot Project of Replacing Business Tax with VAT, "the vehicle toll of the expressway before the pilot project for general taxpayers among the highway operating enterprises may choose to apply the simple tax calculation method and the tax payable shall be calculated by 3% of reduced rate." The toll income of the Company is temporarily calculated and paid VAT according to the simple tax method and the collection rate of 3%.

VII. Notes of the consolidated financial statement items**1. Monetary funds**

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Cash in stock	77,179.92	146,872.71
Cash in bank	2,208,173,576.12	1,788,196,184.38
Other monetary funds	52,537,681.93	28,273,135.63
Total	2,260,788,437.97	1,816,616,192.72
including: Total amount of money deposited abroad		

Other statements

The details of the monetary funds which are restricted in use due to mortgage, pledge or freezing, and are deposited abroad with remittances restricted are as follows:

Item	Ending balance	Beginning balance
Cash deposit for bank acceptance bill	35,376,507.44	11,172,214.88
Guarantee margin	17,161,174.49	16,497,140.29

Security deposit for rural workers' wages		603,780.46
Total	52,537,681.93	28,273,135.63

As of December 31, 2020, bank deposits of RMB 19,000,000.00 in the general deposit account of the Group have been frozen due to litigation matters. See note VII, 50.

2. Trading financial assets

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Financial assets measured at fair value with changes are included in the current profits and losses	37,879,166.67	
Including:		
Debt instrument investment	37,879,166.67	
Total	37,879,166.67	

Other statements:

Applicable Not applicable

3. Derivative financial assets

Applicable Not applicable

4. Notes receivable

(1) Classification of notes receivable

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Bank acceptance bill		54,564,808.00
Commercial acceptance bill	78,553,471.98	111,481,973.89
Total	78,553,471.98	166,046,781.89

(2) Notes receivable pledged by the Company at the end of the period

Applicable Not applicable

(3) Notes receivable that have been endorsed or discounted by the Company at the end of the period and are not yet due on the balance sheet date

Applicable Not applicable

(4) Notes transferred to accounts receivable by the company due to the drawer's non performance at the end of the period

Applicable Not applicable

(5) Classified disclosure by bad debt accrual method

Applicable Not applicable

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserves		Book value	Book balance		Bad debt reserves		Book value
	Amount	Proportion (%)	Amount	Proportion of accrual (%)		Amount	Proportion (%)	Amount	Proportion of accrual (%)	
Provision for bad debts accrued on an individual basis										
Provision for bad debts accrued on a portfolio basis	80,086,113.33		1,532,641.35		78,553,471.98	171,914,254.20		5,867,472.31		166,046,781.89
Including:										
Related party combination	49,433,286.40	61.73			49,433,286.40	54,564,808.00	31.74			54,564,808.00
Third party combination	30,652,826.93	38.27	1,532,641.35	5.00	29,120,185.58	117,349,446.20	68.26	5,867,472.31	5.00	111,481,973.89
Total	80,086,113.33	/	1,532,641.35	/	78,553,471.98	171,914,254.20	/	5,867,472.31	/	166,046,781.89

Provision for bad debts accrued on an individual basis:

Applicable Not applicable

Provision for bad debts accrued on a portfolio basis:

Applicable Not applicable

Portfolio accrual item: third party portfolio

Unit: yuan Currency: CNY

Name	Ending balance		
	Notes receivable	Bad debt reserves	Proportion of accrual (%)
Within 1 year	30,652,826.93	1,532,641.35	5.00
Total	30,652,826.93	1,532,641.35	

Recognition criteria and explanations for bad debts accrued on a portfolio basis

Applicable Not applicable

If the provision for bad debts is based on the typical model of expected credit losses, please refer to the disclosure of other receivables:

Applicable Not applicable

(6). Bad debt provision.

Applicable Not applicable

Unit: yuan Currency: CNY

Category	Beginning balance	Current change amount			Ending balance
		Accrual	Recovery or reversal	Resale or writing off	
Bad debt reserves of notes receivable	5,867,472.31	-4,334,830.96			1,532,641.35
Total	5,867,472.31	-4,334,830.96			1,532,641.35

Of which the significant amount of provision for bad debts recovered or reversed in the current period:

Applicable Not applicable

Other statements:

None.

(6) Reserves for bad debts

Applicable Not applicable

(7) Notes receivable actually written off in the current period

Applicable Not applicable

Other statements

Applicable Not applicable

5. Accounts receivable

(1) Disclosure by account receivable age

Applicable Not applicable

Unit: yuan Currency: CNY

Aging	Ending book balance
Within 1 year	
Including: sub items within 1 year	
Sub-total within 1 year	513,075,215.39
1 to 2 years	10,949,879.54

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2 to 3 years	623,234.83
3 to 4 years	961,255.17
4 to 5 years	669,213.00
More than 5 years	174,938.50
Total	526,453,736.43

(2) Classified disclosure by bad debt accrual method

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Category	Ending balance					Beginning balance				
	Book balance		Bad debt reserves		Book value	Book balance		Bad debt reserves		Book value
	Amount	Proportion(%)	Amount	Percentage of provision (%)		Amount	Proportion(%)	Amount	Percentage of provision (%)	
Provision for bad debts accrued on an individual basis										
Provision for bad debts accrued on a portfolio basis	526,453,736.43		6,955,889.65		519,497,846.78	240,389,709.91		24,139,510.11		216,250,199.80
Including:										
Related party combination	423,415,319.89	80.43			423,415,319.89	2,229,287.25	0.93			2,229,287.25
Third party combination	103,038,416.54	19.57	6,955,889.65	6.75	96,082,526.89	238,160,422.66	99.07	24,139,510.11	10.14	214,020,912.55
Total	526,453,736.43	/	6,955,889.65	/	519,497,846.78	240,389,709.91	/	24,139,510.11	/	216,250,199.80

Provision for bad debts accrued on an individual basis:

□ Applicable √ Not applicable

Provision for bad debts accrued on a portfolio basis:

Applicable Not applicable

Portfolio accrual item: third party portfolio

Unit: yuan Currency: CNY

Name	Ending balance		
	Accounts receivable	Bad debt reserves	Accrual proportion (%)
Within 1 year	89,659,895.50	4,482,994.76	5.00
1-2 years	10,949,879.54	1,094,987.95	10.00
2-3 years	623,234.83	186,970.45	30.00
3-4 years	961,255.17	480,627.59	50.00
4-5 years	669,213.00	535,370.40	80.00
More than 5 years	174,938.50	174,938.50	100.00
Total	103,038,416.54	6,955,889.65	

Recognition criteria and explanations for bad debts accrued on a portfolio basis:

Applicable Not applicable

For the third-party combination other than related parties, bad debt reserves shall be withdrawn according to the account age and expected credit loss rate.

If the provision for bad debts is based on the typical model of expected credit losses, please refer to the disclosure of other receivables:

Applicable Not applicable

(3) Reserves for bad debts

Applicable Not applicable

Unit: yuan Currency: CNY

Category	Beginning balance	Current change amount				Ending balance
		Accrual	Recovery or reversal	Resale or writing off	Other changes	
Provision for bad debts of accounts receivable	24,139,510.11	-17,183,620.46				6,955,889.65
Total	24,139,510.11	-17,183,620.46				6,955,889.65

Of which the significant amount of provision for bad debts recovered or reversed in the current period:

Applicable Not applicable

(4) Notes receivable actually written off in the current period

Applicable Not applicable

(5) Top five receivables of ending balance collected by debtors

Applicable Not applicable

In this year, the total amount of the top five accounts receivable collected by debtors at the end of the year is 288,549,288.59 Yuan, accounting for 54.81% of the total amount of accounts receivable at the end of the year, and the total amount of bad debt reserves withdrawn at the end of the year is 1,025,327.39 Yuan.

(6) Receivables derecognized due to transfer of financial assets

Applicable Not applicable

(7) Amount of assets and liabilities formed by transfer of accounts receivable and continuous involvement

Applicable Not applicable

Other statements:

Applicable Not applicable

6. Receivables financing

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Bank acceptance bill	150,000,016.63	108,547,434.59
Total	150,000,016.63	108,547,434.59

Changes in additions to and deletions from receivables financing and changes in fair value during the period:

Applicable Not applicable

If the provision for bad debts is based on the typical model of expected credit losses, please refer to the disclosure of other receivables:

Applicable Not applicable

Other statements:

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Bank acceptance bill	28,975,000.00	
Total	28,975,000.00	

7. Prepayments

(1) Prepayments presented by account receivable age

Applicable Not applicable

Unit: yuan Currency: CNY

Aging	Ending balance		Beginning	Balance
	Amount	Proportion(%)	Amount	Proportion(%)
Within 1 year	140,542,952.66	95.85	174,771,453.32	96.42
1 to 2 years	4,703,965.97	3.21	5,605,635.96	3.09
2 to 3 years	522,536.55	0.36	554,192.39	0.31
More than 3 years	849,839.08	0.58	333,036.75	0.18
Total	146,619,294.26	100.00	181,264,318.42	100.00

Explanation for the reason that the prepayment with account receivable age more than 1 year and significant amount is not settled in time:

None

(2) Prepayment of the top five in the ending balance collected by the debtor

Applicable Not applicable

In this year, the total amount of the top five prepayments collected by the prepayment object at the end of the year is 120,087,918.48 Yuan, accounting for 81.90% of the total amount of the prepayments at the end of the year.

Other statements

Applicable Not applicable

8. Listing of other receivable projects

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Interest receivable		
Dividends receivable	75,037,985.75	524,516,294.16
Other receivables	4,175,472,909.42	4,839,419,231.32
Total	4,250,510,895.17	5,363,935,525.48

Other statements:

Applicable Not applicable

Interest receivable

(1) Classification of interest receivable

Applicable Not applicable

(2) Important overdue interest

Applicable Not applicable

(3) Accrual of bad debt reserves

Applicable Not applicable

Other statements:

Applicable Not applicable

(4) Dividends receivable

Applicable Not applicable

Unit: yuan Currency: CNY

Project (or investee unit)	Ending balance	Beginning balance
Evergrande Real Estate Group Co., Ltd.		524,516,294.16
Jinan Changying transportation infrastructure investment fund partnership (limited partnership)	75,037,985.75	
Total	75,037,985.75	524,516,294.16

(5) Dividends receivable of these with an age of more than one year and significant amounts

Applicable Not applicable

(6) Accrual of bad debt reserves

Applicable Not applicable

Other instructions:

Applicable Not applicable

Other receivables

(7) Disclosure by account receivable age

Applicable Not applicable

Unit: yuan Currency: CNY

Aging	Ending book balance
Within 1 year	

Sub-total within 1 year	938,594,674.53
1 to 2 years	2,769,627,764.68
2 to 3 years	179,389,344.58
3 to 4 years	228,515,129.67
4 to 5 years	293,295.25
More than 5 years	374,648,980.35
Total	4,491,069,189.06

(8) Breakdown by nature of payments

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Nature of receivables	Ending book balance	Beginning book balance
Intercourse funds	3,931,194,242.09	4,632,220,949.14
Toll split	130,434,140.05	150,838,296.07
Payment for Kenxin Project (Note 1)	305,533,879.36	305,533,879.36
Deposits, security deposits	123,906,927.56	13,344,573.58
Total	4,491,069,189.06	5,101,937,698.15

Note 1: As of December 31, 2020, the balance of receivables from Kenxin project was RMB 305,533,900. According to the relevant agreements signed between Shandong Hi-Speed (Shenzhen) Investment Co., Ltd. (hereinafter referred to as "Shenzhen Company"), a subsidiary of our Company, and Shenzhen Kenxin Group Co., Ltd ("Shenzhen Kenxin") and its affiliates (collectively referred to as "Kenxin Group"), Kenxin Group provided mortgage guarantee for the receivables with its real estate. On October 31, 2016, Shenzhen Company and Shenzhen Haimin Industrial Co., Ltd. signed the guarantee contract on the above-mentioned creditor's rights and the guarantor provides joint and several liability guarantee for the creditor.

Note 2: On September 30, 2013, the Company acquired 52%, 2% and 16% equity of Hunan Hengshao Expressway Co., Ltd. (hereinafter referred to as "Hunan Hengshao") from Shanghai Zeta Technology (Group) Co., Ltd., Shanghai Zeta Industrial Co., Ltd. and Shanghai Zeta Construction Development Co., Ltd. (hereinafter referred to as "Shanghai Zeta"), respectively. As of December 31, 2019, the receivable amount of Shanghai Zhida is 18,410,029.32 Yuan according to the equity transfer agreement of Hunan Hengshao. According to the Payment Agreement signed between the company and Shanghai Zhida, Shanghai Zhida Industry Co., Ltd. provides pledge guarantee with its 30% of the equity of Hunan Hengshao; shareholders of Shanghai Zhida Technology Group Co., Ltd provide pledge guarantee with 100% of the equity of Shanghai Zhida Technology Group Co., Ltd; and Zhida Holding Co., Ltd provides pledge guarantee with its 100% equity of Shanghai Zhida Construction Development Co., Ltd; Shanghai Qiguang Industry Co., Ltd provides pledge guarantee for 100% of its equity in Shanghai Zhongqiao Science and Education Development Co., Ltd; in addition, Shanghai Zhongqiao Science and Education Development Co., Ltd. provides mortgage guarantee for no more than 566 million Yuan in total with its real estate to ensure Shanghai Zhida to pay all above liabilities.

(9) Accrual of bad debt reserves

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Bad debt reserves	Phase I	Phase II	Phase III	Total
	Expected credit loss in the next 12 months	Expected credit losses for the entire duration (no credit impairment occurs)	Expected credit losses for the entire duration (credit impairment has occurred)	
Balance as of January 1, 2020	53,755,729.68	762,978.92	207,901,469.17	262,420,177.77
On January 1, 2020, balance will be				

transferred into				
-Carried to Phase II				
- Carried to Phase III				
- Carried back to Phase II				
- Carried back to Phase I				
Accrual in current period	9,406,350.36	151,791.23	43,932,518.71	55,239,985.39
Amount reversed in current period			-	
Amount resold in current period				
Amount written off in current period				
Other changes	-314,558.43			-314,558.43
Balance as of December 31, 2020	62,847,521.61	914,770.15	251,833,987.88	315,596,279.64

Explanation of significant changes in the carrying amount of other receivables for which changes in the provision for losses occurred in the current period:

Applicable Not applicable

The amount of provision for bad debts for current period and the basis used to assess whether the credit risk of the financial instruments has increased significantly:

Applicable Not applicable

(10) Reserves for bad debts

Applicable Not applicable

Unit: yuan Currency: CNY

Category	Beginning balance	Current change amount				Ending balance
		Accrual	Recovery or reversal	Resale or writing off	Others change	
Provision for other bad debts receivable	262,420,177.77	53,490,660.30			-314,558.43	315,596,279.64
Total	262,420,177.77	53,490,660.30			-314,558.43	315,596,279.64

Of which the amount of bad debt provision reversed or recovered in the current period is significant: Applicable Not applicable

(11) Other receivables actually written off in the current period

Applicable Not applicable

(12) Top five other receivables of ending balance collected by debtors

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Company name:	Nature of receivables	Ending balance	Aging	Proportion in total ending balance of other receivables (%)	Ending balance of provision for bad debt
Shandong Hi-Speed Xicheng Property Co., Ltd.	Intercourse funds	2,680,123,634.69	1-2 years	59.68%	
Jinan Puyuan Real Estate Co., Ltd.	Intercourse funds	452,732,622.93	2-3 years	10.08%	
Bureau of Finance of Fushan District, Yantai City	Land replacement payments	413,616,620.65	Within 1 year	9.21%	
Shenzhen Litianjun Supply Chain Co., Ltd.	Receivables of Kenxin Project	305,533,879.36	More than 5 years	6.80%	201,295,159.36
Huantai County Xinghuan Railway Investment Co. Ltd.	Intercourse funds	70,000,000.00	Within 1 year	1.56%	18,884,200.00
Total	/	3,922,006,757.63	/	87.33%	220,179,359.36

(13) Receivables related to government subsidies

□ Applicable √ Not applicable

(14) Other receivables derecognized due to transfer of financial assets

□ Applicable √ Not applicable

(15) Assets and liabilities formed by transferal of other receivables and continued involvement

□ Applicable √ Not applicable

Other statements:

□ Applicable √ Not applicable

9. Inventory**(1) Inventory classification**

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Ending balance			Beginning balance		
	Book balance	Falling price reserve of inventory/impairment reserves of contract performance cost	Book value	Book balance	Falling price reserve of inventory/impairment reserves of contract performance cost	Book value
Raw materials	179,031,840.06	52,974,345.27	126,057,494.79	44,710,790.93	301,882.10	44,408,908.83
Finished goods	104,819,717.90	464,498.64	104,355,219.26	114,781,822.37	403,403.60	114,378,418.77
Goods in transit				36,944,579.48		36,944,579.48
Entrusted processing materials				243,062.89		243,062.89

Development costs	1,159,759,913.04		1,159,759,913.04	1,514,388,124.02		1,514,388,124.02
Products development				38,540,303.78		38,540,303.78
Others	209,251.50		209,251.50	1,955,465.50		1,955,465.50
Total	1,443,820,722.50	53,438,843.91	1,390,331,878.59	1,751,564,148.97	705,285.70	1,750,858,863.27

(2) Provision for decline in value of inventories and provision for impairment of contract performance costs

Applicable Not applicable

Unit: yuan Currency: CNY

(3) Description of the closing balance of inventories containing the amount of capitalized borrowing costs

Applicable Not applicable

Item	Beginning balance	Amount increased in the current period		Amount decreased in the current period		Ending balance
		Accrual	Others	Reversal or resale	Others	
Raw materials	301,882.10	52,672,463.17				52,974,345.27
Finished goods	403,403.60	61,095.04				464,498.64
Total	705,285.70	52,733,558.21				53,438,843.91

(4) Description of the current amortization amount of contract performance costs

Applicable Not applicable

Other statements

Applicable Not applicable

Development costs

Project Name	Commencement date	Estimated completion date	Estimated total investment	Balance at the beginning of the year	Year-end balance
Jiahe Island Project	Not started	Not started	4,250,480,000.00	1,514,388,124.02	1,159,759,913.04
Total			4,250,480,000.00	1,514,388,124.02	1,159,759,913.04

10. Contract assets

(1) Contract assets

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Project contract assets	165,137,562.87	4,262,252.54	160,875,310.33	164,016,085.12	444,323.92	163,571,761.20
Total	165,137,562.87	4,262,252.54	160,875,310.33	164,016,085.12	444,323.92	163,571,761.20

(2) Amount and reason for the significant change in the book value during the reporting period

Applicable Not applicable

(3) Accrual for impairment reserves of contract assets in the current period

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Accrual in current period	Amount reversed in current period	Current write-offs	Reason
Project contract assets	3,817,928.62			
Total	3,817,928.62			/

If the provision for bad debts is based on the typical model of expected credit losses, please refer to the disclosure of other receivables:

Applicable Not applicable

Other statements:

Applicable Not applicable

11. Assets held for sale

Applicable Not applicable

12. Non-current assets due within one year

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Zhongteng global investment project		88,000,000.00
Project of Shanghai Weishi Investment Management Co., Ltd.	113,246,088.67	
Total	113,246,088.67	88,000,000.00

Note: The project is a debt investment with a maturity date of June 25, 2021 and an effective interest rate of 10%.

Significant debt investments and other debt investments at the end of the period:

Applicable Not applicable

No other descriptions.

13. Other current assets

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Prepaid income tax of the enterprise	2,098,742.41	12,925,843.76
Input tax to be deducted	219,318,777.23	118,271,838.39
Guangkai financial leasing debt investment project		74,500,000.00
Project of Qingdao Wudaokou New Energy Vehicle Industry Fund		1,000,000,000.00
Payment for Evergrande equity transfer	3,516,095,138.11	
Others	1,456,840.91	1,391,442.48
Total	3,738,969,498.66	1,207,089,124.63

Other statements

In November 2020, Jinan Changying Jincheng Equity Investment Partnership (Limited Partnership) (the transferor), a subsidiary of the Company, entered into the "Equity Transfer Agreement of Evergrande Real

Estate Group Co., Ltd." with Shenzhen Talents Housing Group Co., Ltd. (the transferee) and Evergrande Real Estate Group Co. Ltd, with the equity transfer price of RMB5 billion. According to the equity transfer agreement, the transferee will pay RMB 1.5 billion, 30% of the transfer amount within 5 business days after the effective date of the agreement, another RMB 1.5 billion (30%) after the effective date of the agreement, and the remaining RMB 2 billion (40%) within 12 months; the second and third installments of the transfer amount will be paid with interest at the rate of 3.85% from the date of the agreement to the actual payment date. The agreement also stipulates that the transferee pledges the corresponding equity interest of Evergrande Real Estate Group to the Company as guarantee. As of December 31, 2020, the Company has received RMB 1.5 billion in the first phase of transfer.

14. Debt investment

(1). Credit investment.

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Jinan Changying Jinyu investment partnership (limited partnership) loan project	40,111,111.11		40,111,111.11	33,000,000.00		33,000,000.00
Weihai Mediterranean International Style Town Project	60,220,000.00		60,220,000.00			
Capital contribution by BOE Trust	500,000,000.00		500,000,000.00	500,000,000.00		500,000,000.00
Weifang Shangao new and old kinetic energy conversion fund project	1,050,000,000.00		1,050,000,000.00	1,500,000,000.00		1,500,000,000.00
Shandong Railway Development Fund	63,263,163.00		63,263,163.00			
Infrastructure investment projects such as urban renewal	900,882,460.61		900,882,460.61			
Project of Shanghai Weishi Investment Management Co., Ltd.				223,507,600.00		223,507,600.00
Haiyi Mianwei Investment Co., Ltd Borrowing Project				32,000,000.00		32,000,000.00
Total	2,614,476,734.72		2,614,476,734.72	2,288,507,600.00		2,288,507,600.00

(2). Important credit investment at the end of the period.

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Ending balance				Beginning balance			
	Face value	Nominal interest rate	Actual interest rate	Due date	Face value	Nominal interest rate	Actual interest rate	Due date
Jinan Changying Jinyu investment partnership (limited partnership) loan project	40,000,000.00	10.00%	10.00%	12/30/2022	33,000,000.00	10.00%	10.00%	12/30/2022
Weihai Mediterranean International Style Town Project	60,000,000.00	12.00%	12.00%	8/25/2022				
Loan project of Haiyi Liwei Investment Co., Ltd					32,000,000.00	10.00%	10.00%	6/28/2021
Project of Shanghai Weishi Investment Management Co., Ltd.					223,507,600.00	10.00%	10.00%	4/4/2021
Capital contribution by BOE Trust	500,000,000.00	8.50%	8.50%	12/31/2022	500,000,000.00	8.50%	8.50%	12/31/2022
Weifang Shangao new and old kinetic energy conversion fund project	1,050,000,000.00	15.00%	15.00%	12/1/2023	1,500,000,000.00	15.00%	15.00%	12/1/2023
Shandong Railway Development Fund	63,263,163.00	4.85%	4.85%	6/30/2030		8.50%	8.50%	12/31/2022
Infrastructure investment projects such as urban renewal	150,000,000.00	10.70%	10.70%	4/8/2026				
Infrastructure investment projects such as urban renewal	185,980,000.00	10.70%	10.70%	6/11/2025				
Infrastructure investment projects such as urban renewal	189,600,000.00	10.70%	10.70%	8/7/2025				
Infrastructure investment projects such as urban renewal	137,183,300.00	10.50%	10.50%	10/13/2025				
Infrastructure investment projects such as urban renewal	231,166,130.00	10.70%	10.70%	10/30/2025				
Total	2,607,192,593.00				2,288,507,600.00			

(3) Impairment provision accrual

Applicable Not applicable

The amount of impairment provision accrual for the current period and the basis used to assess whether the credit risk of the financial instrument has increased significantly Applicable Not applicable

Other descriptions Applicable Not applicable

15. Other debt investments**(1) Other debt investment**

Applicable Not applicable

(2) Other Important credit investment at the end of the period

Applicable Not applicable

(3) Accrual of impairment reserves

Applicable Not applicable

The amount of impairment provision accrual for the current period and the basis used to assess whether the credit risk of the financial instrument has increased significantly Applicable Not applicable

Other statements:

Applicable Not applicable

16. Long-term receivables**(1) Long-term receivables**

Applicable Not applicable

(2) Accrual of bad debt reserves

Applicable Not applicable

The amount of provision for bad debts for the current period and the basis used to assess whether the credit risk of financial instruments has increased significantly Applicable Not applicable

(3) Receivables derecognized due to transfer of financial assets

Applicable Not applicable

(4) Amount of assets and liabilities formed by transferring long-term receivables and continuing to be involved

Applicable Not applicable

Other statements

Applicable Not applicable

17. Long-term equity investment

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Investee	Beginning balance	Increase or decrease in current period								Ending balance	Ending balance of impairment reserves
		Additional investment	Decreased investment	Profits and losses on investment recognized by equity method	Adjustment of other comprehensive income	Other equity changes	Declaration and distribution of cash dividends or profits distribution	Accrual of impairment reserves	Others		
I. Joint venture											
Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	56,522,735.67			1,965,037.74							58,487,773.41
Shandong Zhonglan Railway Operation Co., Ltd.									51,000,000.00		51,000,000.00
Subtotal	56,522,735.67			1,965,037.74					51,000,000.00		109,487,773.41
II. Associated enterprises											
Weihai City Commercial Bank	2,659,454,352.14			197,058,843.04	-34,300,106.11	-74,467,431.98	69,395,798.70				2,678,349,858.39
Shandong High-speed Logistics Group Co., Ltd.	692,500,766.48			17,947,666.27							710,448,432.75
Shandong High-speed Engineering Project Management Co. Ltd.	61,883,479.57		1,737,768.98	21,738,329.14					-7,655,851.91		74,228,187.82
Shandong Hi-Speed Changying Huitong Equity Investment	18,773,771.68			1,280,807.66							20,054,579.34

Fund Partnership (Limited Partnership)											
Dongxing Securities Co., Ltd.	2,372,539,748.49			72,931,666.23	24,107,726.41		16,798,500.00			2,404,565,188.31	
Fujian Longma Environmental Sanitation Equipment Co., Ltd.	414,739,204.41			25,706,280.73			4,134,026.52			436,311,458.62	
Shandong Environmental Protection Industry Co., Ltd	8,616,004.04			570,224.04						9,186,228.08	
Shandong General Aviation Service Co., Ltd		89,900,000.00		1,146,718.15						91,046,718.15	
Shandong CSIC Chinatong New Old Energy Conversion Industry Investment Fund Partnership (Limited Partnership)		34,500,000.00								34,500,000.00	
CSIC EIT (Shandong) City Operation Service Co.		9,800,000.00								9,800,000.00	
Shandong New Old Energy CSIC Chengtay Venture Capital Fund Partnership		20,305,753.42								20,305,753.42	

(Limited Partnership)											
Jinan Changying Transportation Infrastructure Investment Fund Partnership	2,134,508,339.14	150,000,000.00		288,256,261.79			159,177,506.45			2,413,587,094.48	
Shandong Hi-Speed Yingli New Energy Co., Ltd.	23,993,777.36		25,000,000.00	2,886,115.02					3,892,337.66		
Shandong High-Speed (Henan) Maintenance Technology Co., Ltd.		16,530,000.00		15,246.91						16,545,246.91	
Shanghai Jinghai Enterprise Management Center (limited partnership)	240,350,000.00			3,417,721.05						236,932,278.95	
Sooner Information Technology Co.	34,570,411.47			1,849,443.69						32,720,967.78	
Jinan Changying Jintai Equity Investment Fund Partnership (limited partnership)	56,700,000.00		20,000,000.00	1,724,996.00			-1,724,996.00			36,700,000.00	
Jinan Changying Jinyu Investment Partnership (limited partnership)	7,000,000.00								-7,000,000.00		
Guiyang	47,226,363.41		39,721,500.00	565,982.01						8,070,845.42	

Zhongyun Copyright Industry Fund Partnership (Limited Partnership)			0								
Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	3,226,403.74			620,401.14						2,606,002.60	
Shandong Hi-Speed Jinan Investment Co., Ltd.	641,471,800.00			11,945,452.66						629,526,347.34	
Shandong Hi-Speed Zhongke Incubation Management Co., Ltd.	500,000.00			60,354.61						560,354.61	
Hunan Lianzhi Technology Co., Ltd		30,000,000.00								30,000,000.00	
Guangdong Provincial Expressway Development Co., Ltd.		1,262,909,310.98		68,709,508.74		6,254,776.26				1,337,873,595.99	
Jinan Puyuan Real Estate Co., Ltd.	1,273,014,455.42			108,839,223.52						1,164,175,231.90	
Shenzhen zhongran Fund Management Co., Ltd	9,059,283.85			147,734.82						9,207,018.67	
Shandong Lingang Shugang Rail Transit Co., Ltd.	120,000,000.00	280,000,000.00								400,000,000.00	
Shandong Hi-Speed New Material Technology				72,359.59					16,000,000.00	16,072,359.59	

Co., Ltd.											
Subtotal	10,820,128,161.2 0	1,893,945,064.4 0	86,459,268.9 8	568,374,622.6 5	- 58,407,832.52	- 68,212,655.7 2	251,230,827.6 7	0.00	5,236,485.75	12,823,373,749.1 1	
Total	10,876,650,896.8 7	1,893,945,064.4 0	86,459,268.9 8	-58,407,832.52	- 58,407,832.52	- 68,212,655.7 2	251,230,827.6 7	0.00	56,236,485.7 5	12,932,861,522.5 2	

Other statements

The first scheduled disclosure date of Dongxing Securities's annual report is April 22, 2021, and the equity method accounting is based on the data forecast of its third quarterly report; the first scheduled disclosure date of Fulongma's annual report is April 8, 2021, and the median value of its annual performance pre-increase announcement is adopted for the Company's equity method accounting.

18. Other equity instrument investment**(1). Other credit investment.**

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Shandong Hi-speed Culture Media Co., Ltd.	17,614,686.36	17,614,686.36
Shandong Hi-Speed Greentown Laiwu Xueye Lake Development Co., Ltd.		5,182,926.83
Shandong Weilai High Speed Railway Co., Ltd.	31,626,837.00	31,626,837.00
Shandong Railway Investment Holding Group Co., Ltd.	300,000,000.00	300,000,000.00
Total	349,241,523.36	354,424,450.19

(2). Investment in non tradable equity instruments.

Applicable Not applicable

Other statements:

Applicable Not applicable

19. Other non-current financial assets

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
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Nanfeng Cement Receivables No. 1 Asset-Backed Special Plan	35,709,250.00	35,709,250.00
Champion Rental 2018 Phase II Asset-Backed Special Plan Asset-Backed Securities		68,331,941.10
Equity investment by Evergrande Real Estate Group Co., Ltd.		5,000,000,000.00
Yike Tower Investment Project	563,893,198.11	563,893,198.11
Total	599,602,448.11	5,667,934,389.21

Other statements:

Applicable Not applicable

20. Investment real estate

Measurement model of investment real estate

(1) Investment properties using the cost measurement model

Unit: yuan Currency: CNY

Item	Houses and buildings	Total
I. Original book value		
1. Beginning balance	869,968,368.33	869,968,368.33
2. Amount increased in the current period	1,319,118.35	1,319,118.35
(1) Outsourcing		
(2) Inventory\fixed assets\construction in progress	1,319,118.35	1,319,118.35
(3) Business combination increased		
3. Amount decreased in the current period		
(1) Disposal		
(2) Other transfers		
4. Ending balance	871,287,486.68	871,287,486.68
II. Total accumulated depreciation and accumulated amortization		
1. Beginning balance	114,854,754.19	114,854,754.19
2. Amount increased in the current period	32,036,789.93	32,036,789.93
(1) Accrual or amortization	32,036,789.93	32,036,789.93
3. Amount decreased in the current period		
(1) Disposal		

(2) Other transfers		
4. Ending balance	146,891,544.12	146,891,544.12
III. Impairment reserves		
1. Beginning balance		
2. Amount increased in the current period		
(1) Accrual		
3. Amount decreased in the current period		
(1) Disposal		
(2) Other transfers		
4. Ending balance		
IV. Book value		
1. Ending book value	724,395,942.56	724,395,942.56
2. Beginning book value	755,113,614.14	755,113,614.14

(2). Investment real estate with unavailable property right certificate.

Applicable Not applicable

Other statements

Applicable Not applicable

21. Fixed asset**List of items**

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Fixed assets	9,267,680,678.56	9,609,521,167.21
Disposal of fixed assets		
Total	9,267,680,678.56	9,609,521,167.21

Other statements:

Applicable Not applicable

(1). Fixed assets

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Road property	Houses and Buildings	Machinery equipment	Transportation means	Electronic appliances and communication equipment	Instruments and standard measuring apparatus	Other Equipment	Total
I. Original book value:								
1. Beginning balance	12,385,124,456.34	3,510,042,375.59	324,405,666.04	522,514,877.31	1,488,671,995.71	56,409,980.03	41,223,724.44	18,328,393,075.46
2. Increase in the current year	491,249,098.18	165,527,891.72	15,403,983.07	21,400,212.81	342,537,575.10	7,893,559.17	5,363,458.25	1,049,375,778.30
(1) Acquisition	3,410,384.65	31,304,903.35	13,671,518.22	21,400,212.81	263,001,443.92	7,361,956.77	4,553,776.25	344,657,833.14
(2) Transferred from construction in progress	487,838,713.53	109,736,120.47			79,536,131.18	531,602.40	809,682.00	678,452,249.58
(3) Business combination increased								1,732,464.85
(4) Others		24,486,867.90						24,486,867.90
3. Amount decreased in the current period	393,098,202.86	118,482,690.90	97,233,276.08	15,934,097.63	19,712,264.47	2,347,728.28	4,757,486.75	651,565,746.97
(1) Disposal or scrap	384,862,466.50	6,580,919.08	12,578,918.58	13,963,376.33	18,639,393.87	1,797,623.67	3,162,276.71	441,584,974.74
(2) Other decreases	8,235,736.36	111,901,771.82	84,654,357.50	1,970,721.30	1,072,870.60	550,104.61	1,595,210.04	209,980,772.23
4. Ending balance	12,483,275,351.66	3,557,087,576.41	242,576,373.03	527,980,992.49	1,811,497,306.34	61,955,810.92	41,829,695.94	18,726,203,106.79
II. Accumulated depreciation								
1. Beginning balance	6,863,010,793.82	724,719,508.42	142,081,972.10	388,908,808.83	537,671,468.39	34,332,168.62	28,147,188.07	8,718,871,908.25
2. Amount increased in the current period	640,221,005.54	110,266,643.80	21,030,671.68	29,333,180.87	258,302,268.01	6,780,063.89	3,034,041.75	1,068,995,306.24
(1) Accrual	640,221,005.54	110,266,643.80	21,030,671.68	29,434,799.03	258,312,041.29	6,780,063.89	3,034,041.75	1,068,995,306.24
(2) Business combination increased			27,430.70					27,430.70

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3. Amount decreased in the current period	255,581,176.58	13,381,386.69	24,403,433.34	13,803,432.64	16,911,411.38	1,897,201.09	3,366,744.54	329,344,786.26
(1) Disposal or scrap	255,581,176.58	9,677,370.37	11,650,127.42	13,323,627.85	16,664,863.11	1,696,480.26	3,028,482.26	311,622,127.85
(2) Other decreases		3,704,016.32	12,753,305.92	479,804.79	246,548.27	200,720.83	338,262.28	17,722,658.41
4. Ending balance	7,247,650,622.78	821,604,765.53	138,736,641.14	404,438,557.06	779,062,325.02	39,215,031.42	27,814,485.28	9,458,522,428.23
III. Impairment reserves								
1. Beginning balance								
2. Amount increased in the current period								
(1) Accrual								
3. Amount decreased in the current period								
(1) Disposal or scrap								
(2) Other decreases								
4. Ending balance								
IV. Book value								
1. Ending book value	5,235,624,728.88	2,735,482,810.88	103,839,731.89	123,542,435.43	1,032,434,981.32	22,740,779.50	14,015,210.66	9,267,680,678.56
2. Beginning book value	5,522,113,662.52	2,785,322,867.17	182,323,693.94	133,606,068.48	951,000,527.32	22,077,811.41	13,076,536.37	9,609,521,167.21

(2). Temporarily idle fixed assets

Applicable Not applicable

(3). Fixed assets rented through financial leasing.

Applicable Not applicable

(4). Fixed assets leased through operating lease.

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending book value
Fixed assets leased out by operating lease	20,244,042.76
Total	20,244,042.76

(5). Fixed assets with unavailable property right certificate.

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Book value	Reason for not being granted property right certificates
Road property	66,744,852.27	In progress
Buildings	265,252,095.62	In progress
Total	331,996,947.89	

Other statements:

Applicable Not applicable

Disposal of fixed assets

Applicable Not applicable

22. Ongoing works**List of items**

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Construction in process	8,480,761,085.91	2,530,414,811.07
Engineering material		
Total	8,480,761,085.91	2,530,414,811.07

Other statements:

Applicable Not applicable

Construction in process**(1). Construction in process**

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Provincial Boundary Toll Station Cancellation Project				27,181,361.90		27,181,361.90
Tunnel upgrading project				9,652,987.40		9,652,987.40
Widening and reconstruction of Ganggou toll station	3,905,973.44		3,905,973.44	16,629,812.91		16,629,812.91
Reconstruction project of Jinghu expressway tunnel section				72,637,476.85		72,637,476.85
Beijing-Taipei Expressway Dezhou-Qihe Section Renovation Expansion Project	6,128,657,900.98		6,128,657,900.98	1,390,342,323.00		1,390,342,323.00
Weilai expressway assets transformation project.				41,840,386.80		41,840,386.80
Beijing-Taipei Expressway Jinan-Taian Section Renovation and Expansion Project	473,623,631.48		473,623,631.48			
New TDCS for Yiyang Line	10,538,260.34		10,538,260.34			
Lanshan Station Asphalt Grand Depot	6,671,883.90		6,671,883.90	216,037.74		216,037.74
Pinglan line expansion and renovation	2,535,784.37		2,535,784.37			
New TDCS for Caoshou Line	4,646,542.05		4,646,542.05			
Shouping railway	14,170,000.00	14,170,000.00		127,147,000.00		127,147,000.00
Zhonglan Railway Project				16,489,338.18		16,489,338.18
Industrial park land leveling	8,756,397.82		8,756,397.82	3,375,300.76		3,375,300.76
Dispatching office upgrade	20,150,635.75		20,150,635.75			
Dalailong Railway Expansion and Renovation Project	1,689,535,500.05		1,689,535,500.05	779,509,595.30		779,509,595.30
Green Aggregate Development and Utilization Project in Rujiazhuang Mining Area, Linqu County	42,946,341.00		42,946,341.00	27,528,097.93		27,528,097.93
Green Transportation Products Industrial Park Project	80,052,703.92		80,052,703.92			
Others	8,739,530.81		8,739,530.81	17,865,092.30		17,865,092.30
Total	8,494,931,085.91	14,170,000.00	8,480,761,085.91	2,530,414,811.07		2,530,414,811.07

(2). Change of important projects in progress in current period

√ Applicable □ Not applicable

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Unit: yuan Currency: CNY

Project Name	Budget amount	Beginning balance	Amount increased in the current period	Amount included in fixed assets in current period	Other decreased amount in current period	Ending balance	Proportion of cumulative project investment in budget (%)	Project progress	Accumulated amount of capitalized interest	including: Capitalized amount of current interest	Capitalization rate of current interest (%)	Capital source
Widening and reconstruction of Ganggou toll station	35,000,000.00	16,629,812.91	1,162,486.42		13,886,325.89	3,905,973.44	50.84%	50.84%				Have funds and own funds
Reconstruction project of Jinghu expressway tunnel section	74,893,482.25	72,637,476.85		72,073,834.81	563,642.04		100.00%	100.00%				Have funds and own funds
Beijing-Taipei Expressway Dezhou-Qihe Section Renovation Expansion Project	11,904,333,557.00	1,390,342,323.00	4,738,315,577.98			6,128,657,900.98	51.51%	51.51%	108,377,862.53	100,360,888.70	0.41%	Borrowings and own funds
Weilai expressway assets transformation project.	423,528,555.82	41,840,386.80	283,864,822.57	325,705,209.37		-	76.90%	76.90%				Have funds and own funds
Beijing-Taipei Expressway Jinan-Taian Section Renovation and Expansion Project	6,622,000,000.00		473,623,631.48			473,623,631.48	7.15%	7.15%				Borrowings and own funds
Pinglan line expansion and renovation	1,200,000,000.00		2,535,784.37			2,535,784.37	0.21%	0.21%				Have funds and own funds
800,000t Cold Rolled Ribbed Steel Bar Project	198,560,000.00	475,243.61			475,243.61	-	100.00%	100.00%				Have funds and own funds
Dispatching office upgrade	28,338,200.00		20,150,635.75			20,150,635.75	88.99%	88.99%				Have funds and own funds
Dalailong Railway Expansion and Renovation Project	4,520,000,000.00	779,509,595.30	910,025,904.75			1,689,535,500.05	37.38%	37.38%	23,955,361.11	22,791,611.11	0.16%	Borrowings and own funds
Green Aggregate Development and Utilization Project in Rujiazhuang Mining Area, Linqu County	108,000,000.00	27,528,097.93	15,418,243.07			42,946,341.00	39.77%	39.77%				Have funds and own funds
Green Transportation Products Industrial Park Project	220,000,000.00		80,052,703.92			80,052,703.92	36.39%	36.39%				Have funds and own funds
Total	25,334,653,795.07	2,328,962,936.40	6,525,149,790.31	397,779,044.18	14,925,211.54	8,441,408,470.99	/	/	132,333,223.64	123,152,499.81		

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

Applicable Not applicable

Other statements

Applicable Not applicable

Engineering material

(4). Project materials.

Applicable Not applicable

23. Productive biological assets

(1). Productive biological assets with cost measurement model.

Applicable Not applicable

(2). Productive biological assets measured by fair value.

Applicable Not applicable

Other statements

Applicable Not applicable

24. Oil and gas assets

Applicable Not applicable

25. Right-of-use assets

Applicable Not applicable

26. Intangible assets**(1). Intangible assets**

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Land use rights	Toll road franchise	Office software	Right of mining	Others	Total
I. Original book value						
1. Beginning balance	1,775,169,575.51	47,778,171,656.16	71,085,537.56	458,257,172.82	12,718,368.44	50,095,402,310.49
2. Amount increased in the current period	823,383,445.32	780,595,264.42	21,417,703.52		1,992,655.01	1,627,389,068.27
(1) Acquisition	16,388,402.32		21,417,703.52		1,042,918.41	38,849,024.25
(2) Investment construction		780,595,264.42				780,595,264.42
(3) Business combination increased						
(4) Others	806,995,043.00					806,995,043.00
3. Amount decreased in the current period	31,746,190.52	25,747,496.22	384,625.38			57,878,312.12
(1) Disposal	31,746,190.52	25,747,496.22	384,625.38			57,878,312.12
(2) Others						-
4. Ending balance	2,566,806,830.31	48,533,019,424.36	92,118,615.70	458,257,172.82	14,711,023.45	51,664,913,066.64
II. Accumulated amortization						-
1. Beginning balance	700,421,389.57	6,986,891,297.60	37,476,369.79	40,119,444.44	747,588.74	7,765,656,090.14
2. Amount increased in the current period	61,168,437.49	1,173,322,023.09	10,269,824.78		1,955,912.58	1,246,716,197.94
(1) Accrual	61,168,437.49	1,173,322,023.09	10,269,824.78		1,955,912.58	1,246,716,197.94
(2) Business combination increased						-
3. Amount decreased in the current period	1,347,651.14	1,670,433.04	172,020.51			3,190,104.69
(1) Disposal	1,347,651.14	1,670,433.04	172,020.51			3,190,104.69
(2) Others						
4. Ending balance	760,242,175.92	8,158,542,887.65	47,574,174.06	40,119,444.44	2,703,501.32	9,009,182,183.39
III. Impairment reserves						
1. Beginning balance						
2. Amount increased in the current period						

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(1) Accrual						
3. Amount decreased in the current period						
(1) Disposal						
4. Ending balance						
IV. Book value						
1. Ending book value	1,806,564,654.39	40,374,476,536.71	44,544,441.64	418,137,728.38	12,007,522.13	42,655,730,883.25
2. Beginning book value	1,074,748,185.94	40,791,280,358.56	33,609,167.77	418,137,728.38	11,970,779.70	42,329,746,220.35

Proportion of intangible assets formed through internal R&D of the company in the balance of intangible assets at the end of the period 0.

(2). Rights to use the Land with property right certificate not available.

Applicable Not applicable

Other statements:

Applicable Not applicable

The composition of expressway toll management rights is as follows:

Item	Year-end balance		Balance at the beginning of the year	
	Original value	Book value	Original value	Book value
Xuchang-Yuzhou Expressway	1,159,917,671.59	710,851,501.32	1,158,874,198.71	738,134,328.37
Jinan-Laiwu High-speed Railway	4,240,696,715.25	2,267,361,750.44	4,224,737,881.59	2,438,482,662.86
Weihai-Rushan Expressway	1,913,708,210.91	1,036,143,925.82	1,913,708,210.91	1,100,235,547.63
Jinan-Qingdao Expressway	23,082,374,550.40	22,283,579,522.14	22,361,619,754.39	22,136,936,832.13
Hengyang-Shaoyang Expressway	4,813,253,975.14	4,130,783,426.06	4,836,519,500.00	4,248,859,159.13
Lijin Bridge	261,863,584.26	114,978,527.52	221,507,393.75	75,945,390.72
Jiyuan-Jincheng Expressway	2,219,258,040.46	1,611,705,065.63	2,219,258,040.46	1,658,556,061.74
Wuhan-Jingmen Expressway	10,841,946,676.35	8,219,072,817.78	10,841,946,676.35	8,394,130,375.98
Total	48,533,019,424.36	40,374,476,536.71	47,778,171,656.16	40,791,280,358.56

27. Development expenditures

Applicable Not applicable

28. Goodwill**(1). Original book value of goodwill**

Applicable Not applicable

(2). Impairment reserves of goodwill

Applicable Not applicable

(3). Information about the asset group or combination of asset groups in which the goodwill is located.

Applicable Not applicable

(4). Explain the goodwill impairment test process, key parameters (such as the growth rate in the forecast period, the growth rate in the stable period, the profit rate, the discount rate, the forecast period, etc., if applicable) and the recognition method of goodwill impairment loss.

Applicable Not applicable

(5). Impact of goodwill impairment test.

Applicable Not applicable

Other statements

Applicable Not applicable

29. Long-term deferred expenses

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Beginning balance	Amount increased in the current period	Amortization amount in the current period	Other decreased amount	Ending balance
Decoration cost and others	2,423,554.12	4,427,490.06	1,142,910.20		5,708,133.98
Parking space rental	5,700,000.00		250,000.00	5,450,000.00	
Total	8,123,554.12	4,427,490.06	1,392,910.20	5,450,000.00	5,708,133.98

Other statements:

None

30、 Deferred income tax assets/deferred income tax liabilities**(1). Deferred income tax assets before offset**

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Asset impairment reserves	278,625,990.32	67,113,395.45	275,950,961.00	66,699,825.98
Internally unrealized profits	38,160,850.64	9,540,212.66	38,299,245.81	8,324,775.30
Deductible loss	78,410,008.65	19,602,502.16	275,495,968.28	68,873,992.07
Demolition loss	1,280,676,564.78	320,169,141.20	1,245,810,060.69	311,452,515.18
Deferred Income	679,786,260.54	169,946,565.14	300,000,000.00	75,000,000.00
Dismissal benefits	255,409,735.94	63,391,890.26	266,417,483.38	66,019,182.99
Estimated liabilities	101,003,377.30	25,250,844.33	79,858,700.32	19,964,675.08
Share-based payment	18,429,300.00	4,607,325.00		
Total	2,730,502,088.17	679,621,876.20	2,481,832,419.48	616,334,966.60

(2). Deferred income tax liabilities not being offset

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Ending balance		Beginning balance	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Valuation and appreciation of consolidated assets of enterprises not under the same control	2,521,478,020.28	630,369,505.07	2,581,406,598.40	645,351,649.60
Depreciation and amortization of long-term assets	1,613,982,451.32	403,495,612.83	1,029,582,613.96	257,395,653.49
Accelerated depreciation of fixed assets	32,177,409.20	8,044,352.30	24,141,780.76	6,035,445.19

Total	4,167,637,880.80	1,041,909,470.20	3,635,130,993.12	908,782,748.28
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(3). Deferred income tax assets or liabilities presented in net amount after offset.

Applicable Not applicable

(4). Details of unrecognized deferred income tax assets

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Deductible temporary differences	64,120,005.53	32,876,444.87
Deductible loss	2,041,059,639.24	2,003,996,815.31
Total	2,105,179,644.77	2,036,873,260.18

(5). Deductible losses of unrecognized deferred income tax assets will be due in the following years

Applicable Not applicable

Unit: yuan Currency: CNY

Year	Ending amount	Beginning amount	Note
2020		317,803,240.98	
2021	240,192,439.18	377,898,282.34	
2022	371,738,625.88	371,738,625.88	
2023	422,969,337.90	416,506,357.11	
2024	529,136,333.88	520,050,309.00	
2025 and beyond	477,022,902.40		
Total	2,041,059,639.24	2,003,996,815.31	/

Other statements:

Applicable Not applicable

31. Other non-current assets

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Advance payment for project	1,759,900,789.04		1,759,900,789.04	1,923,575,663.99		1,923,575,663.99
Total	1,759,900,789.04		1,759,900,789.04	1,923,575,663.99		1,923,575,663.99

Other instructions:

None.

32. Short-term loans**(1). Classification of short-term loans**

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Mortgage loan	60,000,000.00	-
Guaranteed loan	19,022,351.39	40,000,000.00
Credit loan	2,781,996,170.67	528,567,899.41
Total	2,861,018,522.06	568,567,899.41

Description of short-term loan classification:

None.

(2). Overdue and not paid short-term loans. Applicable Not applicable

The important overdue short-term loans are as follows:

 Applicable Not applicable

Other statements

 Applicable Not applicable**33. Trading financial liabilities** Applicable Not applicable**34. Derivative financial liabilities** Applicable Not applicable**35. Notes payable****(1). Presentation of bills payable.** Applicable Not applicable

Unit: yuan Currency: CNY

Variety	Ending balance	Beginning balance
Commercial acceptance bill	186,356,624.59	-
Bank acceptance bill	89,716,204.50	33,211,430.37
Total	276,072,829.09	33,211,430.37

The total amount of notes payable due at the end of current period is yuan.

36. Accounts payable**(1). Presentation of account payable.** Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Accounts payable	4,667,741,873.74	5,020,997,647.35
Total	4,667,741,873.74	5,020,997,647.35

(2). Significant accounts payable aged over 1 year Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Reasons for non-payment or carry forward
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China Railway 14th Bureau Group Co., Ltd.	249,655,583.67	The project has not yet completed with the final accounting
The First Construction Co., Ltd. of the Eighth Division of China Construction Corporation	240,238,516.16	The project has not yet completed with the final accounting
Qingdao Greenland Ecological Technology Co., Ltd.	136,915,421.32	The project has not yet completed with the final accounting
Yantai Railway Construction Administration	97,562,800.00	The project has not yet completed with the final accounting
Weifang Local Railway Administration	32,214,148.00	The project has not yet completed with the final accounting
Total	756,586,469.15	/

Other statements

Applicable Not applicable

37. Advance receipt

(1). Presentation of accounts receivables in advance

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Deposit received	69,254,472.77	86,920,719.72
Total	69,254,472.77	86,920,719.72

(2). Important advance receipts aged over one year

Applicable Not applicable

Other statements

Applicable Not applicable

38. Contract liabilities

(1). Contract liabilities

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Advance payment	37,339,306.41	32,866,289.70
Freight received in advance	81,343,779.50	59,180,998.63
Project payment received in advance		42,901,617.86
Others	91,743.12	
Total	118,774,829.03	134,948,906.19

(2). Amount and reason for the significant change in the book value during the reporting period

Applicable Not applicable

Other statements:

Applicable Not applicable

39. Payroll payable

(1). List of payroll payable

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
I. Short-term payroll	89,845,803.37	1,498,547,751.72	1,483,529,592.10	104,863,962.99
II. Post-employment benefits - defined contribution plan	424,729.08	154,569,464.53	154,929,258.55	64,935.06
II. Dismissal benefits		2,128,683.34	2,128,683.34	
IV. Other benefits due within one year				
Total	90,270,532.45	1,655,245,899.59	1,640,587,533.99	104,928,898.05

(2). List of short-term payment

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
I. Wage, bonus, allowance and subsidy	46,012,995.36	1,106,207,192.17	1,101,175,171.51	51,045,016.02
II. Welfare benefits payable	51,128.49	98,997,640.72	99,048,769.21	
II. Social insurance charges	10,908,889.56	106,650,510.07	107,623,023.32	9,936,376.31
Including: medical insurance		56,213,614.95	56,167,587.36	46,027.59
Work-related injury insurance premiums		2,987,306.47	2,987,306.47	
Maternity insurance premium		1,093,871.80	1,093,871.80	
Supplementary insurance	10,908,889.56	46,355,716.85	47,374,257.69	9,890,348.72
IV. Housing provident fund		102,284,064.47	101,357,461.75	926,602.72
V. Labor union funds and employee education funds	31,636,997.37	36,196,754.45	26,217,533.45	41,616,218.37
VI Short-term paid absences				
VII. Short-term profit sharing plan				
VIII. Non-monetary Benefit		218,624.24	218,624.24	
IX. Labor expenses	1,235,792.59	47,992,965.60	47,889,008.62	1,339,749.57
Total	89,845,803.37	1,498,547,751.72	1,483,529,592.10	104,863,962.99

(3). List of defined contribution plans

√ Applicable Not applicable

Unit: yuan Currency: CNY

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
1. Basic endowment insurance		75,705,289.40	75,705,289.40	
2. Unemployment insurance premium		3,232,377.66	3,232,377.66	
3. Payment of enterprise annuity	424,729.08	75,631,797.47	75,991,591.49	64,935.06
Total	424,729.08	154,569,464.53	154,929,258.55	64,935.06

Other statements:

 Applicable Not applicable**40. Tax payable**√ Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
VAT	172,683,975.10	108,354,041.08
Turnover tax	55,826.48	55,826.48
Enterprise income tax	352,420,122.35	621,905,055.87
Individual income tax	8,865,322.14	6,468,550.11
Urban maintenance and construction tax	8,988,011.06	6,435,938.29
House property tax	5,566,394.76	5,532,340.89
Education surcharge	7,059,718.96	4,354,730.72
Land use tax	1,324,411.77	1,784,155.98
Stamp duty	5,826,707.75	5,472,797.01
Value-added tax on land	10,632,887.68	35,512,966.90
Others	472,800.49	316,345.80
Total	573,896,178.54	796,192,749.13

Other instructions:

None.

41. Other payables**List of items**√ Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Dividends payable	60,885,896.25	25,917,525.46
Other payables	3,423,415,991.89	2,634,683,270.79
Total	3,484,301,888.14	2,660,600,796.25

Other statements:

 Applicable Not applicable

Interest payable**(1). Presentation of categories.**

□ Applicable √ Not applicable

Dividends payable**(2). Presentation of categories.**

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Common stock dividends	43,208,818.62	25,917,525.46
Preferred share/perpetual liability dividends divided into equity instrument	17,677,077.63	
Preferred stock/perpetual bond dividends	17,677,077.63	
Total	60,885,896.25	25,917,525.46

Other instructions, including important dividends payable that are unpaid for more than one year, disclosure of the reasons for non-payment:

None.

Other payables**(1). List other payable according to payment nature**

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Project funds	110,282,672.82	193,031,970.05
Current accounts and advances on behalf of others	379,626,433.30	443,475,615.12
Current accounts of related parties outside the scope of consolidation.	2,736,753,991.61	1,705,813,352.38
Collection of receivables from Shandong Hi-speed Xinlian Technology Co., Ltd.		41,858,249.97
Project security and deposit	101,683,002.79	39,422,303.45
Equity transfer payable	86,938,613.46	191,803,642.24
Others	8,131,277.91	19,278,137.58
Total	3,423,415,991.89	2,634,683,270.79

(2). Other important accounts payable with an account receivable age of over one year

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Reasons for non-payment or carry forward
Shandong Railway Investment Holding Group Co., Ltd.	1,100,000,000.00	Investment Fund for Capacity Expansion and Transformation of Dalailong
China Railway Jinan Bureau Group Co., Ltd.	125,176,323.82	Failure to meet the settlement condition

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Henan JuKang Investment Co., Ltd	55,438,613.46	Failure to meet the settlement condition
Shanghai Zhida Technology (Group) Co., Ltd.	31,500,000.00	Failure to meet the settlement condition
Longkou Port Group Co., Ltd.	24,621,590.40	Failure to meet the settlement condition
Total	1,336,736,527.68	/

Other statements:

Applicable Not applicable

42. Held-for-sale liabilities

Applicable Not applicable

43. Non-current liabilities due within one year

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Long-term loan due within one year	3,557,502,908.49	2,543,012,734.46
Long-term payroll payable	80,215,223.94	72,092,480.10
Interest on undue long-term loans	55,127,746.86	60,483,688.57
Total	3,692,845,879.29	2,675,588,903.13

Other instructions:

None.

44. Other current liabilities

Other current liabilities

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Short term bonds payable	2,515,141,657.31	2,514,549,315.05
Output VAT pending transfer	14,683,604.39	11,194,078.09
Total	2,529,825,261.70	2,525,743,393.14

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Increase and decrease of short-term bonds payable:

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Bond name	Face value	Issuing date	Bond duration	Amount issued	Beginning balance	Current issuance	Interests accrued by face value	Amortization of the premiums and discounts	Current payment	Ending balance
The seventh phase of ultra-short-term financing in 2019	100.00	9/19/2019	180 days	1,500,000,000.00	1,512,992,876.69		9,433,352.82		1,522,426,229.51	
The tenth phase of ultra-short-term financing in 2019	100.00	12/13/2019	180 days	1,000,000,000.00	1,001,556,438.36		13,148,479.67		1,014,704,918.03	
The first phase of ultra-short-term financing in 2020	100.00	3/13/2020	180 days	1,000,000,000.00		1,000,000,000.00	12,082,191.78		1,012,082,191.78	
The second phase of ultra-short-term financing in 2020	100.00	3/19/2020	180 days	1,000,000,000.00		1,000,000,000.00	11,638,356.16		1,011,638,356.16	
The third phase of ultra-short-term financing in 2020	100.00	4/15/2020	180 days	1,000,000,000.00		1,000,000,000.00	8,876,712.33		1,008,876,712.33	
The fourth phase of ultra-short-term financing in 2020	100.00	6/8/2020	270 days	1,000,000,000.00		1,000,000,000.00	10,208,219.18			1,010,208,219.18
The fifth phase of ultra-short-term financing in 2020	100.00	9/30/2020	90 days	1,000,000,000.00		1,000,000,000.00	5,671,232.88		1,005,671,232.88	
The sixth phase of ultra-short-term financing in 2020	100.00	10/16/2020	30 days	1,000,000,000.00		1,000,000,000.00	1,808,219.18		1,001,808,219.18	
The seventh phase of ultra-short-term financing in 2020	100.00	11/11/2020	23 days	1,500,000,000.00		1,500,000,000.00	1,795,890.41		1,501,795,890.41	
The fourth phase of ultra-short-term financing in 2020	100.00	11/12/2020	90 days	1,500,000,000.00		1,500,000,000.00	4,933,438.13			1,504,933,438.13

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The eighth phase of ultra-short-term financing in 2020	100.00	12/2/2020	20 days	1,000,000,000.00		1,000,000,000.00	1,041,095.89		1,001,041,095.89	
Total	/	/	/	12,500,000,000.00	2,514,549,315.05	10,000,000,000.00	80,637,188.43		10,080,044,846.17	2,515,141,657.31

Other statements:

Applicable Not applicable

45. Long-term Loans**(1). Classification of long-term loan.**

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Pledge borrowing	19,749,468,195.96	24,119,080,000.00
Mortgage loan	224,000,000.00	150,000,000.00
Guaranteed loan	1,274,000,000.00	1,412,000,000.00
Credit loan	13,730,513,441.89	7,632,956,294.39
Total	34,977,981,637.85	33,314,036,294.39

Description of long-term loan classification:

None.

Other descriptions including interest rate range:

Applicable Not applicable

The interest rate range of long-term loan is 1.20%-7.00%.

46. Bonds payable**(1). Bonds payable**

Applicable Not applicable

(2). Changes in the amount of bonds payable (excluding preferred share/perpetual liability interest divided into financial liabilities and other financial instruments)

Applicable Not applicable

(3). Conditions and time of conversion of convertible corporate bonds.

Applicable Not applicable

(4). Description of other financial instruments classified as financial liabilities.

Basic information of preferred shares, perpetual bonds and other financial instruments issued at the end of the period.

Applicable Not applicable

Statement of changes in preferred shares, perpetual bonds and other financial instruments issued at the end of the period.

Applicable Not applicable

Description of the basis for dividing other financial instruments into financial liabilities:

Applicable Not applicable

Other statements:

Applicable Not applicable

47. Lease liabilities

Applicable Not applicable

48. Long-term payables**List of items**

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Special payable	307,170,000.00	307,170,000.00
Total	307,170,000.00	307,170,000.00

Other statements:

√ Applicable Not applicable

Of the special accounts payable, RMB 294,000,000.00 is the special fund allocated by Shandong Provincial Department of Transportation for the construction of Jinan-Laiwu Expressway. According to the document No. [2005] 182 issued by the Ministry of Communications, after the assets invested and constructed by the special fund are put into normal operation, the fund will be transferred into the investment of Shandong Provincial Department of Transportation, which will be held by Shandong Provincial Highway Bureau as the investor on behalf of Shandong Provincial Department of Transportation to carry out the management of the assets together with the company and be entitled with the rights according to the proportion of investment. As of December 31, 2020, the investment proportion of Shandong Provincial Highway Bureau has yet to be determined, and no investment contract has been signed with the company.

Of the special accounts payable, RMB 13,170,000.00 is the special fund allocated by Shouguang Municipal People's Government for construction of Xili Project in Shouguang Section of Yiyang Railway. According to the Agreement on Investment and Construction of West Lane Project in Shouguang Section of Yiyang Railway by and between Shouguang Municipal People's Government and Shandong High-speed Rail Transit Group Co., Ltd., the investment in construction of Shouguang Locomotive Depot of Yiyang Railway shall be borne by Shouguang Municipal People's Government. As of December 31, 2020, the construction project of Yiyang Railway Locomotive Depot has not been implemented.

Long-term payable**(1). Long term accounts payable by nature.** Applicable Not applicable**Special payable****(2). Present the special payables according to the nature of the payment.** Applicable Not applicable**49 Long-term payroll payable**√ Applicable Not applicable**(1). Long term payroll payable.**√ Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Estimated expenses for early retired personnel	214,288,788.88	226,850,277.65
Total	214,288,788.88	226,850,277.65

(2). Changes in defined benefit plans.

Set the value of defined benefit plan obligations:

 Applicable Not applicable

Plan assets:

 Applicable Not applicable

Net liabilities (net assets) of defined benefit plan

 Applicable Not applicable

Description of the content of defined benefit plan and its related risks, impact on the company's future cash

flow, time and uncertainty:

Applicable Not applicable

Explanation of significant actuarial assumptions and sensitivity analysis results of defined benefit plan

Applicable Not applicable

Other statements:

Applicable Not applicable

50. Estimated liabilities

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Beginning balance	Ending balance	Causes
Pending litigation	74,482,931.61	94,339,765.18	Proceedings
Mine environment restoration and control	14,778,754.70	14,778,754.70	
Total	89,261,686.31	109,118,519.88	/

Other instructions, including important assumptions and estimation for important estimated liabilities:

On December 23, 2019, the Intermediate People's Court of Henan Province ruled that Shandong Railway Transportation Group Co., Ltd. bears the liquidated damages and deferred interest on the value of the land for the expansion of the Xinkai Railway, and reduces creditor's rights and deferred interest payment of Xinmi Chaozhua-Mazhen railway assets (2019Y01MC No. 1533). As of December 31, 2020, according to the judgment, the estimated liabilities had totaled RMB 81,263,665.18, mainly including liquidated damages of RMB 68,632,151.00 and liquidated damages interest of RMB 12,524,430.24. In this case, the Company's bank deposit of RMB 19,000,000.00.00 was frozen.

On December 9, 2019, Shunxin Asset Management Company sued Shandong Rail Transit Group Co., Ltd. to repay the plaintiff's loan and the interest on the loan. The Company has fully accrued the principal and interest of the estimated liabilities of RMB 13,076,100.00 in full in accordance with the final judgment of the Jinan Intermediate People's Court. Disagreeing with the judgment of the case, the Company applied to the Shandong Higher People's Court for a retrial on January 14, 2021.

51. Deferred income

Deferred income

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance	Causes
Government subsidy	930,284,109.40	431,010,797.92	60,093,957.33	1,301,200,949.99	
Rental fees collected in advance	277,609,119.12	36,053,552.24	21,349,771.29	292,312,900.07	
Service charge collected in advance	1,572,327.04		1,572,327.04		
Total	1,209,465,555.56	467,064,350.16	83,016,055.66	1,593,513,850.06	/

Projects involved in government subsidies:

Applicable Not applicable

Unit: yuan Currency: CNY

Liability items	Beginning balance	Amount of newly increased subsidies in current period	Amount included in non-operating income in current period	Amount included in other income in the current period	Other changes	Ending balance	Asset-related/income-related
Special fund for energy saving and emission reduction.	1,639,375.00			457,500.00		1,181,875.00	Asset related
Compensation for Construction of Interchange to Zero Interchange Section of Xiaoxujia Hub in Reconstruction and Expansion Project of Jinan-Qingdao Expressway	300,000,000.00	313,976,662.50		25,559,066.52		588,417,595.98	Asset related
Cancel the subsidy for provincial boundary toll station projects		102,794,135.42		6,846,698.33		95,947,437.09	Asset related
Special project fund for reconstruction of toll station of Lijin Yellow River Highway Bridge.	10,680,000.00	14,240,000.00		82,297.49		24,837,702.51	
Enterprise agglomeration support fund	5,000,000.00			5,000,000.00			
Subsidy for Dalailong Railway Project	30,000,000.00			2,626,728.12		27,373,271.88	Asset related
Subsidy for Yiyang railway westward relocation project	559,092,633.38			18,966,292.94		540,126,340.44	
Subsidy for track slab project	16,822,953.72			374,626.56		16,448,327.16	Asset related
Office relocation reward	7,049,147.30			180,747.37		6,868,399.93	Asset related
Total	930,284,109.40	431,010,797.92		60,093,957.33		1,301,200,949.99	—

Other statements:

Applicable Not applicable

52. Other non-current liabilities

Applicable Not applicable

53. Share Capital

Applicable Not applicable

Unit: yuan Currency: CNY

	Beginning balance	Increase and decrease of this change (+, -)					Ending balance
		Issue the new shares	Stock offering	Conversion of provident fund into shares	Others	Subtotal	
Total number of shares	4,811,165,857.00						4,811,165,857.00

Other instructions:

None.

54. Other equity instrument**(1). Basic information of preferred shares, perpetual bonds and other financial instruments issued at the end of the period.**

Applicable Not applicable

(2). Statement of changes in preferred shares, perpetual bonds and other financial instruments issued at the end of the period.

Applicable Not applicable

Outstanding financial instruments	Beginning		Increase in the Current Period		Decrease in the Current Period		Ending	
	Quantities	Book value	Quantities	Book value	Quantities	Book value	Quantities	Book value
Bohai trust plan		2,000,000,000.00				2,000,000,000.00		
Perpetual debt				3,200,000,000.00				3,200,000,000.00
Total		2,000,000,000.00		3,200,000,000.00		2,000,000,000.00		3,200,000,000.00

The increase and decrease of other equity instruments in the current period, the reasons for the change and the basis of relevant accounting treatment:

Applicable Not applicable

Other statements:

Applicable Not applicable

None.

55. Capital reserves

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Capital premium (share premium)	4,836,763,252.70	9,220,036.64	3,116,311,939.25	1,729,671,350.09
Other capital reserves		18,429,300.00		18,429,300.00
Total	4,836,763,252.70	27,649,336.64	3,116,311,939.25	1,748,100,650.09

Other descriptions, including the increase and decrease of the current period and the reasons for the change:

Note: The change in capital reserve this year is mainly caused by the merger of Shandong High-speed Rail Transit Group Co., Ltd. under the same control.

56. Treasury stock

□ Applicable √ Not applicable

57. Other comprehensive income

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Beginning balance	Amount incurred in current period.						Ending balance
		Accrual before the income tax in the current period	Minus: Amount included in other comprehensive incomes in the previous period and transferred to profits or losses for the current period	Less: included in other comprehensive income in the previous period and transferred to retained earnings in the current period.	Minus: income tax expenses	Belong to the parent company after tax	Attribute to minority shareholders after tax	
I. Other comprehensive income cannot be reclassified into profit and loss		-5,182,926.83				-5,182,926.83		-5,182,926.83
Where: Changes arising from the re-measurement of defined benefit plans								
Other comprehensive profits that cannot be converted into profits or losses under the equity method								
Fair value changes of other equity instrument investment		-5,182,926.83				-5,182,926.83		-5,182,926.83
Fair value changes of enterprise's credit risk								
II. Other comprehensive income that will be reclassified into profits and losses	9,953,082.58	-52,153,056.26				-52,153,056.26		-
Including: other comprehensive income	9,953,082.58	-52,153,056.26				-52,153,056.26		-

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that can be included in profit or loss under the equity method.								42,199,973.68
Fair value changes of other debt investment								
Amount of financial assets reclassified into other comprehensive income								
Reserves for credit impairment of other credit investments								
Cash flow hedging reserves								
Translation of financial statements denominated in foreign currency Difference								
Total of other comprehensive income	9,953,082.58	-57,335,983.09				-57,335,983.09		47,382,900.51

Other descriptions including the adjustment of the initial recognition amount of the hedged item converted from the effective part of the profit and loss of cash flow hedging:

None

58. Appropriate reserve√ Applicable Not applicable

Unit: yuan Currency: CNY

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Safe production costs	82,671,061.69	16,222,137.30	3,238,742.44	95,654,456.55
Total	82,671,061.69	16,222,137.30	3,238,742.44	95,654,456.55

Other descriptions, including the increase and decrease of the current period and the reasons for the change:

Note: The increase or decrease this year is the Expense for Safe Operation accrued and used by Shandong High-speed Rail Transit Group Co., Ltd., a subsidiary of the Company, in accordance with provisions of the Circular from the Ministry of Finance and the State Administration of Work Safety on Issuing Measures for Administration of Extraction and Use of Enterprise Expense for Safe Operation (CQ [2012] No. 6).

59. Surplus reserves√ Applicable Not applicable

Unit: yuan Currency: CNY

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Statutory surplus reserves	3,164,742,776.43	224,206,066.70		3,388,948,843.13
Total	3,164,742,776.43	224,206,066.70		3,388,948,843.13

Description of surplus reserve including the increase and decrease of the current period and the reasons for the change:

None.

60. Undistributed profits√ Applicable Not applicable

Unit: yuan Currency: CNY

Item	Current period	Previous period
Undistributed profits at the end of last period before adjustment	17,975,791,829.92	16,276,718,131.16
Total undistributed profit at the beginning of the adjustment period (increase +, decrease -)	394,584,686.98	317,793,490.49
Undistributed profits at the beginning of the period after adjustment	18,370,376,516.90	16,594,511,621.65
Plus: Net profits attributable to owners of the parent company in the current period	2,038,999,018.13	3,126,071,417.08
Minus: Withdrawal of statutory surplus reserve	224,206,066.70	271,952,038.65
Withdrawal other common accumulation fund		
Withdrawn general risk reserve		
Common stock dividends payable	1,828,243,025.66	1,068,786,407.72
Ordinary stock dividend transferred to equity		
Dividends payable on other equity instruments	102,651,577.46	9,298,121.56
Undistributed profits at the end of the period	18,254,274,865.21	18,370,546,470.80

Details of undistributed profits at the beginning of the adjustment period:

1. Due to retroactive adjustment of Accounting Standards for Business Enterprises and relevant new regulations, the undistributed profit at the beginning of the period is affected by -169,953.90 Yuan.
2. Due to the change of accounting policy, the undistributed profit at the beginning of the period is affected by 0 Yuan.
3. Due to the correction of major accounting errors, the undistributed profit at the beginning of the period is affected by 0 Yuan.
4. Due to the change of consolidation scope caused by the same control, the undistributed profit at the beginning of the period is affected by 394,754,640.88 Yuan.
5. The total amount of other adjustments affects the undistributed profit at the beginning of the period is 0 Yuan.

61. Operating Income and Operating Cost (1). Operating Income and Operating Cost

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period		Amount incurred in previous period	
	Income	Cost	Income	Cost
Main business	11,182,923,943.23	7,520,580,755.20	10,231,366,764.32	5,726,016,263.96
Other businesses	182,240,837.92	39,896,245.07	183,183,361.88	38,157,352.20
Total	11,365,164,781.15	7,560,477,000.27	10,414,550,126.20	5,764,173,616.16

(2). Incomes from contract

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Contract Classification	Operating income (current year)	Operating cost (current year)
Type of commodity		
Main business	11,182,923,943.23	7,520,580,755.20
including toll revenue in Shandong Province	4,829,952,422.22	2,577,352,852.82
Toll revenue in Henan Province	258,736,001.79	136,713,829.82
Toll revenue of Hunan Province	175,614,950.41	161,461,293.41
Toll revenue in Hubei Province	691,459,073.20	341,564,105.44
revenue from railway transportation	2,494,571,703.63	1,960,753,618.87
Revenue from sales of goods	1,791,583,327.91	1,474,542,403.13
Revenue from project construction	224,352,596.01	198,432,758.23
Revenue from expressway trusteeship	605,713,032.50	560,513,537.11
Others	110,940,835.56	109,246,356.37
Other businesses	182,240,837.92	39,896,245.07
Including: Rental income	82,225,399.91	19,749,647.09
Others	100,015,438.01	20,146,597.98
Total	11,365,164,781.15	7,560,477,000.27

Unit: yuan Currency: CNY

Contract Classification	Operating income (previous year)	Operating cost (previous year)
Type of commodity		

Main business	10,231,366,764.32	5,726,016,263.96
including toll revenue in Shandong Province	5,099,817,508.48	2,220,323,231.75
Toll revenue in Henan Province	453,063,208.51	153,136,023.07
Toll revenue of Hunan Province	216,322,139.16	166,788,260.13
Toll revenue in Hubei Province	959,396,341.57	362,092,086.65
revenue from railway transportation	2,050,262,501.61	1,668,995,170.99
Revenue from sales of goods	803,045,190.53	575,750,073.70
Revenue from project construction	51,958,017.94	20,341,060.43
Revenue from expressway trusteeship	511,942,321.26	493,448,468.15
Others	85,559,535.26	65,141,889.09
Other businesses	183,183,361.88	38,157,352.20
Including: Rental income	76,589,732.81	18,877,442.07
Others	106,593,629.07	19,279,910.13
Total	10,414,550,126.20	5,764,173,616.16

Description of income generated by the Contract:

Applicable Not applicable

(3). Explanation for performance obligations

Applicable Not applicable

(4). Explanation for allocation to remaining performance obligations

Applicable Not applicable

Other statements:

None

62. Taxes and surcharges

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Urban maintenance and construction tax	26,425,498.29	25,705,609.29
Education surcharge	19,442,962.12	14,653,145.29
House property tax	14,218,576.26	17,914,135.61
Land use tax	6,138,274.89	8,094,250.37
Vehicle and vessel use tax	337,209.94	392,437.18
Stamp duty	9,848,491.17	7,401,120.56
Value-added tax on land		199,775.12
Others	2,759,320.35	8,339,333.66
Total	79,170,333.02	82,699,807.08

Other statements:

None

63. Sales expenses

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Advertising expense	232,741.40	235,849.05
Operating cost	2,445,032.31	3,702,144.43
Packing expense	2,756,216.72	2,724,888.48
Transport expense	1,714,332.32	5,810,211.49
Employee compensation	2,110,908.81	3,631,490.44
Others	1,350,941.98	877,981.55
Total	10,629,082.64	16,982,565.44

Other instructions:

None

64. Management expenses√ Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Employee compensation	350,668,007.31	366,757,017.72
Depreciation and amortization expenses	37,674,015.30	51,859,695.97
Lease expenses	11,139,054.83	14,861,831.54
Agent fee	31,424,287.90	28,300,522.20
Others	106,336,152.67	117,216,413.25
Total	537,241,518.01	578,995,480.68

Other statements:

None

65. Research and development (R&D) expenses√ Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Material consumption	2,038,351.14	1,940,561.27
Labor cost	30,094,370.49	18,417,516.52
Depreciation expense	4,713,864.20	8,831,013.73
Technical service fee	19,107,581.57	8,022,347.55
Others	11,678,651.77	3,037,286.19
Total	67,632,819.17	40,248,725.26

Other statements:

None

66. Finance expense√ Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Interest expense	1,701,838,542.17	1,436,760,372.33
-: Interest income	93,867,234.96	-297,069,626.74
+: Exchange losses		
Other expenditure	836,831.77	2,393,584.69
Total	1,608,808,138.98	1,142,084,330.28

Other statements:

None

67. Other income

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Special fund for energy saving and emission reduction.	457,500.00	457,500.00
Compensation for Construction of Interchange to Zero Interchange Section of Xiaoxujia Hub in Reconstruction and Expansion Project of Jinan-Qingdao Expressway	25,559,066.52	
Cancel the subsidy for provincial boundary toll station projects	6,763,543.33	
Special project fund for reconstruction of toll station of Lijin Yellow River Highway Bridge.	82,297.49	
Enterprise agglomeration support fund	5,000,000.00	
Subsidy for Dalailong Railway Project	2,626,728.12	
Subsidy for Yiyang railway westward relocation project	18,966,292.94	21,029,376.60
Subsidy for track slab project	374,626.56	374,626.56
Office relocation reward	180,747.37	4,867,397.57
Special fund for enterprises supported by the government.		6,500,000.00
Subsidy for enterprise research and development	741,300.00	6,086,000.00
2019 economic development contribution award	300,000.00	
Subsidies for stabilizing posts	814,402.82	154,213.13
Refund of individual income tax	61,388.15	62,229.72
Others	343,384.97	105,908.00
Total	62,271,278.27	39,637,251.58

Other instructions:

None

68. Incomes from investment

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Long-term equity investment income calculated by the equity method	570,339,660.39	376,523,816.81

Investment income from disposal of long-term equity	9,316,362.59	140,490,539.75
Investment income of trading financial assets during the holding period.	493,378,222.82	563,433,751.83
Dividend income of other equity instrument investment during holding period		
Interest income of debt investment during holding period	399,342,008.52	67,634,504.06
Interest income of other debt investment during holding period		
Investment income from disposal of trading financial assets		
Investment income from disposal of other equity instrument investment		
Investment income from disposal of debt investment		
Investment income from disposal of other debt investment		
Gain from re-measurement of residual equity at the fair value after the control power is lost		408,936,576.90
Total	1,472,376,254.32	1,557,019,189.35

Other instructions:

None

69. Net exposure hedge income

Applicable Not applicable

70. Change in fair value gains

Applicable Not applicable

71. Credit impairment loss

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Bad debt losses on notes receivable	1,231,982.58	-5,867,472.31
Bad debt loss of accounts receivable	14,247,979.85	-8,128,496.55
Bad debt loss of other receivables	-53,490,660.30	118,882,521.56
Total	-38,010,697.87	104,886,552.70

Other instructions:

None

72. Impairment loss on assets

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
I. Bad debt losses		
II. Inventory falling price loss and contract	-52,733,558.21	737,101.08

performance cost impairment loss		
III. Impairment loss of long-term equity investment		
IV. Impairment loss of investment property		
V. Impairment loss of fixed asset		
VI. Impairment loss of construction material		
VII. Impairment loss of construction in progress	-13,147,000.00	
VIII. Impairment loss of productive biological asset		
IX. Impairment loss of oil and gas asset		
X. Impairment loss of intangible asset		
XI. Impairment loss of goodwill		
12. Miscellaneous	-3,817,928.62	
Total	-69,698,486.83	737,101.08

Other instructions:

None

73. Incomes from disposal of assets

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Income from disposal of non-current asset	1,892,517.97	-3,338,999.77
Total	1,892,517.97	-3,338,999.77

Other instructions:

None

74. Non-business income

Non-operating income

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period	Amount recorded in non-recurring profits and losses of the current period
Total of non-current asset disposal gains	10,408,785.48	3,823,633.69	10,408,785.48
Including: Gains from disposal of fixed assets	202,738.02	3,823,633.69	202,738.02
Government subsidy	21,596,821.32	22,229,600.00	21,596,821.32
Income from highway assets and highway property compensations	17,947,790.97	19,334,117.44	17,947,790.97
Other profits	61,178,624.69	43,698,493.25	61,178,624.69
Total	111,132,022.46	89,085,844.38	111,132,022.46

Government subsidies included in current profit and loss

Applicable Not applicable

Unit: yuan Currency: CNY

Subsidy project	Amount incurred in current period.	Amount incurred in prior period	Asset-related/income-related
Reward for enterprises above designated size in service industry in 2019	120,000.00		Income related
Incentive funds	19,670,000.00	22,179,600.00	Income related
Incentives (subsidies) related to the Investment Promotion Agreement of Kaifu District in 2019	1,688,100.00		Income related
Others	118,721.32	50,000.00	Income related
Total	21,596,821.32	22,229,600.00	

Other statements:

Applicable Not applicable

75. Non-operating expenses

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period	Amount recorded in non-recurring profits and losses of the current period
Total of loss on disposal of non-current assets	39,526,763.76	127,808,502.28	39,526,763.76
Including: Losses on disposal of fixed assets	39,526,763.76	127,808,502.28	39,526,763.76
Donation	4,300.00	423,000.00	4,300
Penalty cost	54,098.50	129,834.45	54,098.50
Others	16,717,805.54	38,904,947.61	16,717,805.54
Total	56,302,967.80	167,266,284.34	56,302,967.80

Other statements:

None

76. Income tax expense

(1). Income tax expense statement

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Current income tax expense	776,477,846.86	1,118,091,982.00
Deferred income tax expense	68,952,562.87	80,855,006.11
Total	845,430,409.73	1,198,946,988.11

(2). Adjustment process of accounting profits and income tax expenses

√ Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period
Total profit	2,984,865,809.58
Income tax expense calculated according to legal/applicable tax rate	746,216,452.40
Impact of subsidiaries using different tax rates	-13,112,297.62
Effect of income tax before adjustment	35,958,902.13
Effect of non-taxable income	-112,426,723.72
Effect of non-deductible costs, expenses and losses	53,927,773.13
Effect of deductible loss of unrecognized deferred income tax assets in early use period	-5,922,577.98
Effect of unrecognized deductible temporary difference or deductible loss of deferred income tax assets of current period	146,610,134.50
Impact of income tax on R&D expenditure plus deduction and intangible assets plus amortization.	-4,899,697.14
Others	-921,555.97
Income tax expense	845,430,409.72

Other statements:

 Applicable Not applicable**77. Other comprehensive income**√ Applicable Not applicable

For details, please refer to the note "VII. 57 Other comprehensive income"

78. Cash flow statement items**(1). Other cash received related to operating activities**√ Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Current account and deposit	1,639,644,074.40	1,817,106,063.08
Government subsidy	454,784,940.18	77,087,539.32
Income from highway assets and highway property compensations	17,947,790.97	19,536,405.55
Interest income	33,245,038.05	36,474,923.87
Rental income	91,868,691.78	54,011,636.48
Others	273,796,923.18	125,896,562.42
Total	2,511,287,458.56	2,130,113,130.72

Description of other cash received related to operating activities:

None

(2). Other cash paid related to operating activities√ Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Current account and deposit	216,452,965.85	1,268,666,930.01
Selling expenses	10,629,082.64	17,699,800.48
Management expenses	176,388,409.34	160,507,385.90
Research and development (R&D) expenses	32,824,584.48	7,836,479.39
Compensation for early opening to traffic		20,847,871.42
Others	421,552.06	6,042,412.35
Total	436,716,594.37	1,481,600,879.55

Other cash paid related to operating activities:

None

(3). Other cash received related to investment activities

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Recovery of Loan from Puyuan Company	534,921,186.42	
Collect the funds from Shanghai Zhida	4,586,476.11	14,259,505.32
Recovery of Loan from the Group before Merger with the Rail Transit	329,490,929.58	144,411,072.73
Receivables from Kenxin Group		173,267,045.05
Cash received from subsidiaries		201,744,305.09
Total	868,998,592.11	533,681,928.19

Other cash received related to investment activities:

None

(4). Other cash paid for investment activities

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Earnest money for equity acquisition	400,000.00	
Net cash received from disposal of subsidiaries	10,441,593.13	
Total	10,841,593.13	

Other cash paid for investment activities:

None

(5). Other cash received related to fundraising activities

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Investment Fund for Capacity Expansion and Transformation of Dalailong	600,000,000.00	
Recovered bill security deposit		23,611,355.51
Total	600,000,000.00	23,611,355.51

Notes to other received cash related to financing activities

None

(6). Other cash paid related to fundraising activities

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Repayment of Trust No. 1 Fund	2,000,000,000.00	
Pay for the equity transfer of Rail Transit	3,487,254,636.00	
Trust loan guarantee fund		29,000,000.00
Underwriting fee for short-term securities lending	10,663,814.22	5,075,113.39
Total	5,497,918,450.22	34,075,113.39

Description of other cash paid related to financing activities:

None

79. Supplementary data for cash flow statement

(1). Supplementary data for cash flow statement

Applicable Not applicable

Unit: yuan Currency: CNY

Supplementary data	Amount in current period	Amount in previous period
1. Adjust net profit to cash flows from operating activities:		
Net Profits	2,139,435,399.85	3,211,179,268.17
+: Asset impairment reserves	69,698,486.83	-737,101.08
Credit impairment loss	38,010,697.87	-104,886,552.70
Depreciation of fixed assets, loss of oil and gas assets and depreciation of productive biological assets	1,101,004,665.47	869,725,369.68
Amortization of intangible assets	1,246,716,197.94	939,800,629.07
Amortization of long-term prepaid expenses	1,392,910.20	1,821,950.07
Loss from disposal of fixed asset, intangible asset and other long-term asset (marked with "-" for earnings)	-1,892,517.97	5,589,391.15
Loss from retirement of fixed assets (earnings are listed with "-")	29,117,978.28	127,808,502.28
Loss from fair value change (earnings are listed with "-")		
Financial expenses (earnings are listed with "-")	1,701,838,542.17	1,503,913,620.30

Investment losses (earnings are listed with "-")	-1,472,376,254.32	-1,557,019,189.35
Decrease in deferred income tax assets (increase is listed with "-")	-63,286,909.60	38,336,270.04
Increase in deferred income tax liabilities (decrease is listed with "-")	133,126,721.92	42,282,824.68
Decrease in inventories (increase is listed with "-")	471,759,511.59	-575,529,448.58
Decrease in operational receivables (increase is listed with "-")	-19,959,368.56	2,242,927,497.40
Increase in operational payables (decrease in listed with "-")	-1,065,498,986.89	-281,620,931.06
Others		
Net cash flow from operating activities	4,309,087,074.78	6,463,592,100.07
2. Significant investment and financing activities not involved with cash income and expenditure:		
Conversion of debt into capital		
Convertible corporate bonds due with one year		
Fixed assets under financing lease		
3. Net change in cash and cash equivalent:		
Ending balance of cash	2,189,250,756.04	1,769,343,057.09
Minus: Cash balance at the beginning of the period	1,769,343,057.09	1,684,835,153.05
Plus: Ending balance of cash equivalents		
Minus: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	419,907,698.95	84,507,904.04

(2). Net cash paid to acquire subsidiaries in the current period.

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

	Amount
Cash or cash equivalents paid in the current period by business combination occurring in the current period	1,376,700.00
Including Shandong Ludao Construction Engineering Co., Ltd.	1,376,700.00
-: cash and cash equivalents held by subsidiaries on the purchased date	567,754.98
Including Shandong Ludao Construction Engineering Co., Ltd.	567,754.98
+: cash or cash equivalents paid in the current period by business combination occurring in the prior period	
Including Shandong Ludao Construction Engineering Co., Ltd.	
Net cash paid by subsidiaries	808,945.02

Other statements:

None

(3). Net cash received to acquire subsidiaries in the current period.

□ Applicable √ Not applicable

Unit: yuan Currency: CNY

	Amount
Cash or cash equivalents received from disposal of subsidiaries in the current period.	

Where: Shandong Hi-Speed New Material Technology Co., Ltd.	
Jinan Changying Jin'an Limited Partnership (Limited Partnership)	
Shandong Zhonglan Railway Operation Co., Ltd.	
Less: cash and cash equivalents held by the subsidiaries on the date of loss of control over the subsidiaries	10,441,593.13
Where: Shandong Hi-Speed New Material Technology Co., Ltd.	5,484,427.37
Jinan Changying Jin'an Limited Partnership (Limited Partnership)	4,945,457.57
Shandong Zhonglan Railway Operation Co., Ltd.	11,708.19
Plus: cash or cash equivalents received from disposal of subsidiaries in the previous period.	
Where: Shandong Hi-Speed New Material Technology Co., Ltd.	
Jinan Changying Jin'an Limited Partnership (Limited Partnership)	
Shandong Zhonglan Railway Operation Co., Ltd.	
Net cash received from disposal of subsidiaries	-10,441,593.13

Other instructions:

None

(4). Composition of cash and cash equivalents

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
I. Cash	2,189,250,756.04	1,769,343,057.09
Where: Including: cash on hand	77,179.92	146,872.71
Bank deposits that can be used for payment at any time	2,189,173,576.12	1,769,196,184.38
Other monetary fund that can be used for payment at any time		
Amounts deposited at the central bank that can be used for payment		
Deposits in other banks		
Payments about call Loan to Banks		
II. Cash equivalents		
Where: Bond investment due within three months		
Balance of ending cash and cash equivalents	2,189,250,756.04	1,769,343,057.09
Where: Cash and cash equivalents of parent company or group, which use right is restricted for subsidiaries		

Other statements:

Applicable Not applicable

80. Notes to Items in Statement of Change in Owner's Equity

Explain the items such as the name of "other" items and the adjusted amount of the balance at the end of last year:

Applicable Not applicable

81. Assets with restricted ownership or right of use

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Ending book value	Restriction reason
Monetary funds	71,537,681.93	frozen amount due to litigation, security deposit
Fixed assets	30,790,608,704.29	Pledge borrowing
Intangible assets	262,560,662.30	Mortgage loan
Fixed assets	21,892,958.90	Mortgage loan
Receivables financing	57,000,000.00	Pledged
Total	31,203,600,007.42	/

Other statements:

None

82. Foreign currency monetary items**(1). Foreign currency monetary items**

□ Applicable √ Not applicable

(2). Description of overseas operating entities including major overseas operating entities. Their main business locations at abroad, recording currency and selection basis shall be disclosed and reasons for changes in recording currency shall be disclosed too if the recording currency changes.

□ Applicable √ Not applicable

83. Hedging

□ Applicable √ Not applicable

84. Government subsidies**(1). Basic information of government subsidies.**

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Variety	Amount	Presented items	Amount included in the profit and loss of the current period
Reward for enterprises above designated size in service industry in 2019	120,000.00	Non-operating income	120,000.00
Incentive funds	19,670,000.00	Non-operating income	19,670,000.00
Investment promotion awards of Kaifu District in 2019	1,688,100.00	Non-operating income	1,688,100.00
Special fund for energy saving and emission reduction.	1,181,875.00	Deferred income/other income	457,500.00
Compensation for Construction of Interchange to Zero Interchange Section of Xiaoxujia Hub in Reconstruction and Expansion Project of Jinan-Qingdao Expressway	588,417,595.98	Deferred income/other income	25,559,066.52
Cancel the subsidy for provincial boundary toll station projects	95,947,437.09	Deferred income/other income	6,763,543.33
Special project fund for reconstruction of toll station of Lijin Yellow River	24,837,702.51	Deferred income/other income	82,297.49

Highway Bridge.			
Enterprise agglomeration support fund		Deferred income/other income	5,000,000.00
Subsidy for Dalailong Railway Project	27,373,271.88	Deferred income/other income	2,626,728.12
Subsidy for Yiyang railway westward relocation project	540,126,340.44	Deferred income/other income	18,966,292.94
Subsidy for track slab project	16,448,327.16	Deferred income/other income	374,626.56
Office relocation reward	6,868,399.93	Deferred income/other income	180,747.37
Subsidy for enterprise research and development	741,300.00	Other income	741,300.00
2019 economic development contribution award	300,000.00	Other income	300,000.00
Subsidies for stabilizing posts	814,402.82	Other income	814,402.82
Refund of individual income tax	5,053,293.99	Other income	61,388.15
Others	1,333,424.88	Non-operating income	462,106.29
Total	1,330,432,873.81		83,868,099.59

(2). Return of government subsidies.

Applicable Not applicable

Other statements:

None

85. Others

Applicable Not applicable

VII. Changes in the combination scope**1. Business combination under different control**

Applicable Not applicable

(1). Business combination not under the same control during the current period

Applicable Not applicable

Unit: yuan Currency: CNY

Name of the Acquiree	Time point for acquisition of share	Cost for acquisition of share	Proportion of share acquired (%)	Method of share acquisition	Date of Purchase	Reference for Determination of Purchased Date	The income of the Acquiree from the purchased date till the end of period	Net profit of the Acquiree from the purchased date till the end of period
Shandong Ludao Construction Engineering Co., Ltd.	July 1, 2020	1,376,700.00	100	Acquisition	July 1, 2020	Equity transfer procedures completed	59,359,809.48	1,826,862.84

Other statements:

None.

(2). Cost of business combination and goodwill

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Cost of business combination	Shandong Ludao Construction Engineering Co., Ltd.
- Cash	1,376,700.00
- Fair value of non-cash assets	
-- Fair value of debt issued or committed	
-- Fair value of equity securities issued	
-- Fair value of contingent consideration	
-- Fair value on the purchase date of share held before that date	
- Others	
Merger cost in total	1,376,700.00
-: fair value share of identifiable net assets acquired	1,376,700.00
Amount of goodwill/merger cost less than the share of fair value of identifiable net asset acquired	

The method for determining the fair value of combined cost and explanation on contingent consideration and its change:

None

The main reason for formation of large-sum goodwill:

Not applicable.

Other statements:

None.

(3). Identifiable assets and liabilities of acquiree on the acquisition date

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

	Shandong Ludao Construction Engineering Co., Ltd.	
	Fair value on the purchased date	Book value on the purchased date
Assets:	9,781,934.15	8,832,197.55
Monetary funds	567,754.98	567,754.98
Prepayment	10,800.00	10,800.00
Other receivables	6,010,438.00	6,010,438.00
Stock	378,675.81	378,675.81
Other current assets	159,494.61	159,494.61
Production		
Fixed assets	1,705,034.15	1,705,034.15
Intangible assets	949,736.60	
Liabilities:	8,405,234.15	8,167,800.00
Deposit received	8,167,800.00	8,167,800.00
Deferred income tax liabilities	237,434.15	

Net Assets	1,376,700.00	664,397.55
Where: Minority equity		
Net assets acquired Production	1,376,700.00	664,397.55

Method for determining the fair value of identifiable assets and liabilities:

None

Contingent liabilities of the acquiree committed in the business combination:

None

Other statements:

None

(4). Gains or losses arising from the remeasurement of equity held before the purchase date at fair value

Whether there is a transaction that realizes business integration step by step through multiple transactions and obtains control during the reporting period

Applicable Not applicable

(5). Relevant notes on merger consideration or fair value of acquiree's identifiable assets and liabilities that cannot be recognized reasonably on the acquisition date or at the end of current merger

Applicable Not applicable

(6). Other description

Applicable Not applicable

2. Business combination under the same control

Applicable Not applicable

(1). Business combination under same control in the current period

Applicable Not applicable

200/265

Name of the combined party	Proportion of equity obtained in business combination	Basis for the constituting of business combination under the same control	Date of combination	Determining basis for the combination date	Income of combined party from the beginning of the year to the combination day	Net profits of combined party from the beginning of the year to the combination day	Income of combined party during the period of comparison	Net profits of combined party during the period of comparison
Shandong Hi-speed Rail Transit Group Co., Ltd.	51%	Under the same control of parent company together with the Company	June 30, 2020	Equity transfer procedures completed	1,674,002,364.59	181,832,760.37	2,969,781,762.75	145,464,496.57

Other statements:

None.

(2). Combined cost

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Cost of business combination	Shandong Hi-speed Rail Transit Group Co., Ltd.
- Cash	3,487,254,636.00
- Book value of non-cash assets	
- Book value of debt issued or assumed	
- Face value of equity securities issued	
- Contingent consideration	

Explanation for Contingent consideration and its changes:

Not applicable.

Other statements:

The company conducted business combination under common control with Shandong Hi-Speed Rail Transit Group Co., Ltd., and the combination cost was 3,487,254,636.00 yuan in cash consideration.

(3). The book value of the assets and debts of the combined party on the combining date

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

	Shandong Hi-speed Rail Transit Group Co., Ltd.	
	Date of combination	Ending of the previous period
Assets:	9,688,146,963.47	7,663,235,365.39
Monetary funds	478,680,736.10	134,344,159.45
Notes receivable		111,481,973.89
Receivable	458,859,068.64	209,717,407.92
Receivables financing	179,877,623.78	108,547,434.59
Prepayment	192,349,174.52	134,023,693.87
Other receivables	1,285,554,347.07	597,756,739.71
Stock	141,865,223.86	360,104,955.29
Contract assets	83,672,971.07	
Other current assets	51,453,349.82	101,810,150.13
Long-term equity investments	416,000,000.00	120,000,000.00
Other equity instrument investment	331,626,837.00	331,626,837.00
Investment real estates	706,236.71	
Fixed assets	2,878,782,179.29	3,244,273,618.06
Construction in process	873,144,034.59	959,055,743.57
Intangible assets	1,832,428,933.24	1,071,975,021.24
Long-term deferred expenses	360,577.83	373,996.83
Deferred income tax assets	65,474,435.95	63,578,521.55
Other non-current assets	417,311,234.00	114,565,112.29
Liabilities:	5,657,590,382.38	4,676,422,514.91
Short-term loans	134,500,000.00	63,805,433.66

Notes payable	68,982,756.25	33,211,430.37
Payables	438,783,491.62	573,339,143.29
Deposit received	51,062,538.77	140,839,172.02
Contract liabilities	91,835,418.41	
Payroll payable	50,005,045.89	84,565,067.47
Taxes payable	44,267,703.18	148,361,545.69
Dividends payable	30,202,210.62	28,507,700.02
Other payables	2,654,464,429.38	1,554,872,351.74
Other non-current liabilities due within one year	68,338,238.18	23,479,196.67
Other current liabilities	7,609,324.19	
Long-term Loans	1,221,623,247.28	1,173,838,169.13
Long-term payroll payable	100,467,203.98	99,476,049.99
Special payable	13,170,000.00	13,170,000.00
Payables	75,092,626.46	89,261,686.31
Deferred Income	6,035,445.19	643,660,123.36
Deferred income tax liabilities	-	6,035,445.19
Net Assets	4,030,556,581.09	2,986,812,850.48
Where: Minority equity	2,308,295,588.47	1,832,161,487.40
Net assets acquired	1,722,260,992.62	1,154,651,363.08

Contingent liabilities of the combined party assumed in the business combination:

None.

Other statements:

None.

3. Counter purchase

Applicable Not applicable

4. Disposal of subsidiaries

Whether there is single time disposal of the investment in the subsidiary, i.e. loss of control

Applicable Not applicable

Other statements:

Applicable Not applicable

5. Change of consolidation scope for other reasons

Explain the changes in the scope of consolidation caused by other reasons (such as the establishment of new subsidiaries, liquidation of subsidiaries, etc.) and relevant information:

Applicable Not applicable

In March 2020, Shandong Hi-speed Rail Transit Group Co., Ltd., a subsidiary of the Company, transferred 35% of the equity of Shandong Hi-speed New Material Technology Co., Ltd. to Shandong High Speed Materials Group Co., Ltd. After the transfer, the equity ratio of Shandong Hi-speed New Material Technology Co., Ltd. held by the Company was changed to 16%, so it was not included in the scope of merger.

In 2020, the Company withdrawn its capital contribution to Jinan Changying Jinan Limited Partnership (Limited Partnership), Bohai Trust • 2019 Industrial Investment No. 01 Collective Capital Trust Plan, and newly established Jinan Changying Jinyun Equity Investment Partnership (Limited Partnership) as well as Shandong Hi-Speed Sulianyun Technology Co., Ltd. The Company no longer controls Shandong Zhonglan Railway Operation Co., Ltd., so it is not included in the scope of merger.

6. Other

Applicable Not applicable

IX. Equity in other subjects**1. Equities in subsidiaries****(1) Construction of the Group**

Applicable Not applicable

Name of Subsidiary	Principal Place of Business	Registered Place	Nature of Business	Shareholding Ratio (%)		Acquisition Method
				Direct	Indirect	
Shandong Hi-Speed Investment Development Co., Ltd.	Shandong	Shandong	Investment and development	100.00		Investment and establishment
Shandong Hi-speed Environmental Technology Co., Ltd.	Shandong	Shandong	Environmental protection industry		60.01	Investment and establishment
Shandong Hi-Speed Jidong Development Co., Ltd.	Shandong	Shandong	Investment and		60.00	Investment and establishment

			development			
Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.	Guangdong Province	Guangdong Province	Investment and development		55.00	Investment and establishment
Yantai Hesheng Real Estate Development Co., Ltd.	Shandong	Shandong	Investment and development		100.00	Business combination not under common control
Shandong Hi-Speed Industrial Development Co., Ltd.	Shandong	Shandong	Property management	60.00		Investment and establishment
Shandong Lijin Huanghe Highway and Bridge Co., Ltd.	Shandong	Shandong	Highway management	65.00		Business combination under same control
Shandong Hi-Speed Henan Development Co., Ltd.	Henan Province	Henan Province	Investment and development	60.00		Investment and establishment
Shandong Hi-Speed Henan Xuyu Road Co., Ltd.	Henan Province	Henan Province	Highway management		60.00	Investment and establishment
Jiyuan City Jijin Expressway Co., Ltd.	Henan Province	Henan Province	Highway management		54.00	Business combination not under common control
Hunan Hengshao Expressway Co., Ltd.	Hunan	Hunan	Highway management	70.00		Business combination not under common control
Shandong Hi-Speed Hunan Development Co., Ltd.	Hunan	Hunan	Investment and development	100.00		Investment and establishment
Shandong Hi-Speed Qilu Construction Transport Administration Service Co., Ltd.	Shandong	Shandong	Agency service	100.00		Business combination under same control
Hubei Wujing Expressway Development Co., Ltd.	Hubei province	Hubei province	Highway management	60.00		Business combination under same control
Jinan Changying Jincheng Equity Investment Partnership (limited partnership)	Shandong	Shandong	Equity investment	99.99		Investment and establishment
Jinan Changying Jinhai Investment Partnership (Limited Partnership)	Shandong	Shandong	Equity investment	100.00		Investment and establishment
Jinan Jinming Investment Partnership (Limited Partnership)	Shandong	Shandong	Equity investment		100.00	Investment and establishment
Shenzhen Lupeng Investment Partnership (limited partnership)	Guangdong Province	Guangdong Province	Investment business		100.00	Investment and establishment
Qingdao Changying Jinpeng Equity Investment Partnership (Limited Partnership)	Shandong	Shandong	Investment business	30.75	69.18	Investment and establishment

Jinan Changying Jinyun Equity Investment Partnership (Limited Partnership)	Shandong	Shandong	Investment business		100.00	Investment and establishment
Shandong Hi-Speed Sulianyun Technology Co., Ltd.	Shandong	Shandong	Investment business		100.00	Investment and establishment
Shandong Hi-speed Rail Transit Group Co., Ltd.	Shandong	Shandong	Railway transport	51.00		Business combination under same control
Shandong Dalailong Railway Co., Ltd.	Shandong	Shandong	Railway transport		41.01	Business combination under same control
Shandong High Speed Railway Construction Equipment Co., Ltd.	Shandong	Shandong	Railway building materials		17.85	Business combination under same control
Shandong Ruitong Logistics Co., Ltd.	Shandong	Shandong	Business transportation		35.70	Business combination under same control
Shandong Shouping Railway Co., Ltd.	Shandong	Shandong	Railway transport		30.48	Business combination under same control
Shandong Ruiyuan Logistics Co., Ltd.	Shandong	Shandong	Business transportation		33.15	Business combination under same control
Shandong Hi-Speed Transportation Equipment Co., Ltd.	Shandong	Shandong	Highway building materials		22.31	Business combination under same control
Shandong Ludao Construction Engineering Co., Ltd.	Shandong	Shandong	Construction service		51.00	Business combination not under common control

Statement that the shareholding ratio in the subsidiary is different from the voting right ratio:

Not applicable.

Basis for holding half or less of the voting rights but still controlling the invested entity and holding more than half of the voting rights but not controlling the invested entity:

Shandong Hi-speed Rail Transit Group Co., Ltd., a subsidiary of the Company, holds 35% equity of Shandong High Speed Railway Construction Equipment Co., Ltd., and other minority shareholders hold 65% equity in total. 6 of the 8 senior executives of Shandong High Speed Railway Construction Equipment Co., Ltd. are appointed by Shandong Hi-speed Rail Transit Group Co., Ltd. Meanwhile, the minority shareholders do not participate in the daily operation and the Shandong Hi-speed Rail Transit Group Co., Ltd. can decide the operation policy of Shandong High Speed Railway Construction Equipment Co., Ltd. Therefore, the Company can actually control Shandong High Speed Railway Construction Equipment Co., Ltd. and bring it into the scope of merger.

For the important structured entities included in the consolidation scope, the control basis is as follows:

None.

Basis for determining whether the company is an agent or the principal:

None.

Other statements:

None.

(2). Major non-wholly-owned subsidiaries√ Applicable Not applicable

Unit: yuan Currency: CNY

Name of Subsidiary	Minority shareholders' shareholding ratio	Profit and loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Balance of minority shareholders' equity at the end of the period
Shandong Hi-Speed Henan Development Co., Ltd.	40.00%	11,122,124.82	51,900,000.00	352,659,828.47
Hunan Hengshao Expressway Co., Ltd.	30.00%	-55,308,471.00		-264,115,799.51
Hubei Wujing Expressway Development Co., Ltd.	40.00%	15,292,075.37		1,126,625,052.84
Shandong Hi-speed Rail Transit Group Co., Ltd.	49.00%	159,128,765.16	237,160,000.00	1,704,258,550.79
Shandong High Speed Railway Construction Equipment Co., Ltd.	65.00%	70,029,117.62	26,021,564.05	387,352,871.98
Shandong Dalailong Railway Co., Ltd.	19.59%	-13,670,107.61		90,136,832.03

Explanation for the difference between the shareholding ratio of minority shareholders and the voting right ratio in the subsidiary:

 Applicable Not applicable

Other statements:

 Applicable Not applicable**(3). Main financial information of important non-wholly-owned subsidiaries**√ Applicable Not applicable

Unit: yuan Currency: CNY

Name of	Ending balance	Beginning balance
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Subsidiary	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total liabilities	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total liabilities
Shandong Hi-Speed Henan Development Co., Ltd.	245,107,807.99	2,481,509,954.21	2,726,617,762.20	362,394,469.17	1,317,933,320.63	1,680,327,789.80	493,611,411.07	2,511,643,267.48	3,005,254,678.55	393,826,302.04	1,538,292,787.08	1,932,119,089.12
Hunan Hengshao Expressway Co., Ltd.	101,149,803.21	4,154,981,984.80	4,256,131,788.01	2,288,507,062.60	2,848,010,723.76	5,136,517,786.36	91,070,317.34	4,279,221,747.53	4,370,292,064.87	2,160,794,414.54	2,905,522,078.69	5,066,316,493.23
Hubei Wujing Expressway Development Co., Ltd.	117,198,138.54	8,350,322,664.96	8,467,520,803.50	844,155,024.45	4,806,803,146.96	5,650,958,171.41	69,082,213.21	8,520,663,387.64	8,589,745,600.85	512,392,174.40	5,299,020,982.78	5,811,413,157.18
Shandong Hi-speed Rail Transit Group Co., Ltd.	2,512,483,290.56	7,561,551,912.36	10,074,035,202.92	3,778,159,642.41	2,124,092,738.17	5,902,252,380.58	1,757,786,514.85	5,905,448,850.54	7,663,235,365.39	2,650,981,040.93	2,025,441,473.98	4,676,422,514.91
Shandong High Speed Railway Construction Equipment Co., Ltd.	517,537,220.37	395,203,898.36	912,741,118.73	313,323,129.62	19,337,965.96	332,661,095.58	448,836,612.75	308,476,037.54	757,312,650.29	223,997,898.69	20,938,657.01	244,936,555.70
Shandong Dalailong Railway	277,602,671.17	2,681,293,935.84	2,958,896,607.01	1,548,999,576.62	949,909,561.23	2,498,909,137.85	136,251,379.43	2,007,067,715.95	2,143,319,095.38	684,340,037.07	932,170,466.82	1,616,510,503.89

Co., Ltd.											
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Name of Subsidiary	Amount incurred in current period				Amount incurred in previous period			
	Operation revenue	Net Profits	Total Comprehensive Income	Cash Flow from Operating Activities	Operation revenue	Net Profits	Total Comprehensive Income	Cash Flow from Operating Activities
Shandong Hi-Speed Henan Development Co., Ltd.	264,515,118.35	25,054,382.97	25,054,382.97	128,921,590.99	456,296,607.23	140,771,415.02	140,771,415.02	339,660,954.18
Hunan Hengshao Expressway Co., Ltd.	175,878,961.46	-184,361,569.99	-184,361,569.99	158,509,407.08	216,350,710.59	-189,559,163.72	-189,559,163.72	144,654,111.87
Hubei Wujing Expressway Development Co., Ltd.	712,055,229.68	38,230,188.42	38,230,188.42	483,269,403.28	974,463,582.34	298,708,441.22	298,708,441.22	781,130,344.54
Shandong Hi-speed Rail Transit Group Co., Ltd.	4,344,913,670.72	317,061,532.24	317,061,532.24	68,974,494.22	2,969,781,762.75	145,464,496.57	144,964,498.83	962,541,550.94
Shandong High Speed Railway Construction Equipment Co., Ltd.	693,480,603.39	107,737,104.03	107,737,104.03	87,470,443.48	624,222,722.28	72,319,473.01	72,319,473.01	46,124,860.55
Shandong Dalailong Railway Co., Ltd.	332,676,485.93	-69,781,049.57	-69,781,049.57	3,419,099.80	298,875,204.49	-34,510,630.77	-34,510,630.77	10,381,576.40

Other statements:

None

(4). Major restrictions on the use of enterprise group assets and the settlement of enterprise group debts.

Applicable Not applicable

(5). Financial or other support provided to structured entities included in the consolidated financial statements.

Applicable Not applicable

Other statements:

Applicable Not applicable

2. Changes in the owners' equity share in a subsidiary, with control of the transaction of the subsidiary

√ Applicable □ Not applicable

(1) Description of changes in shares of owners' equity in the subsidiary companies

√ Applicable □ Not applicable

Changes in shares of owners' equity in the subsidiary companies

Transaction type	Company name	Time	Percentage of transaction	Year-end shareholding ratio
Disposal of partial equity	Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.	November 2020	45.00	55.00
Increase of registered capital	Shandong Ruitong Logistics Co., Ltd.	October 2020	30.00	70.00

Note: the basis for the change of the company's share of owner's equity in the subsidiary and the change does not affect the company's control over the subsidiary:

According to the Working Opinions of Shandong Provincial Government and Shandong State-Owned Assets Supervision and Administration Commission on Implementation of Mixed Ownership Reform of Provincial State-Owned Enterprises, the Company transferred 45% equity of Shandong High-Speed (Shenzhen) Investment Co., Ltd. in November 2020. According to the investment agreement and the articles of association of Shandong High-Speed (Shenzhen) Investment Co., Ltd., the Company has the right of control over the Shandong High-Speed (Shenzhen) Investment Co., Ltd.

② According to the Working Opinions of Shandong Provincial Government and Shandong State-Owned Assets Supervision and Administration Commission on Implementation of Mixed Ownership Reform of Provincial State-Owned Enterprises, Shandong Ruitong Logistics Co., Ltd. was listed to increase its capital and shares. The registered capital of Shandong Ruitong Logistics Co., Ltd. is increased by 42,857,100 yuan. According to the capital increase agreement and the articles of association of Shandong Ruitong Logistics Co., Ltd., the Company has the right of control over the Shandong Ruitong Logistics Co., Ltd.

(2). Impact of transactions on minority shareholders' equity and owners' equity attributable to the parent company.

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

	Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.	Shandong Ruitong Logistics Co., Ltd.
Purchase cost/disposal consideration	290,313,900.00	42,857,100.00
- Cash	290,313,900.00	42,857,100.00
- Fair value of non-cash assets		
Total purchase cost/disposal consideration	290,313,900.00	42,857,100.00
Less: share of net assets of subsidiaries calculated according to the proportion of equity acquired/disposed.	277,198,244.63	65,915,496.78
Difference	13,115,655.37	23,058,396.78
Including: adjusted capital reserve	13,115,655.37	23,058,396.78
Adjustment of surplus reserve		
Undistributed profits		

Other statements

□ Applicable √ Not applicable

3. Equity in joint ventures or associates

√ Applicable □ Not applicable

(1). Important joint ventures or associated enterprises

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Name of joint ventures or associated enterprises	Principal Place of Business	Registered Place	Nature of Business	Shareholding Ratio (%)		Accounting disposal method for investment in joint ventures or associated enterprises
				Direct	Indirect	
Weihai City Commercial Bank	Shandong	Shandong	Commercial bank	11.87		Equity method
Shandong Hi-speed Logistics Group Co., Ltd. (hereinafter referred to as "Logistics Group").	Shandong	Shandong	Logistics management	25.00		Equity method
Dongxing Securities Co., Ltd.	Beijing	Beijing	Securities company	4.35		Equity method
Fujian Longma Environmental Sanitation Equipment Co., Ltd.	Fujian	Fujian	Environmental sanitation equipment	4.97		Equity method
Guangdong Provincial Expressway Development Co., Ltd.	Guangdong Province	Guangdong Province	Highway operation		9.68	Equity method

Explanation for the difference between the shareholding ratio and the voting right ratio in the joint venture or associated enterprise:

None.

Basis for holding less than 20% of the voting rights but having a significant impact, or holding more than 20% of the voting rights but not having a significant impact:

① Although the shareholding ratio of the company to Weihai City Commercial Bank Co., Ltd. (hereinafter referred to as "Weihai Commercial Bank") is less than 20%, the company has the right to appoint one director in the board of directors of Weihai Commercial Bank so that the company can exert significant influence on Weihai Commercial Bank, so it is accounted as an associated enterprise.

② The company's shareholding in Dongxing Securities Co., Ltd. (hereinafter referred to as "Dongxing Securities") is less than 20%. However, the company has the right to appoint one director in the board of directors of Dongxing Securities, and is the second largest shareholder of Dongxing Securities, so that the company can exert significant influence on Dongxing Securities, so it is accounted as an associated enterprise.

③ The company's shareholding in Fujian Longma Sanitation Equipment Co., Ltd. (hereinafter referred to as "Fulongma") is less than 20%. However, the company has the right to appoint one director in the board of directors of Fulongma and is the third largest shareholder of Longma Environmental Sanitation so that the company can exert significant influence on Fulongma, so it is accounted as the associated enterprise.

④ Although the company's shareholding in Guangdong Provincial Expressway Development Co., Ltd. (hereinafter referred to as "Guangdong Expressway") is less than 20%, as the third largest shareholder of Guangdong Expressway, the company has the right to appoint one director in the board of directors of Guangdong Expressway so that the company can exert significant influence on Guangdong Expressway. Therefore, it is accounted as the associated enterprise.

(2). Major financial information of important joint ventures.

□ Applicable √ Not applicable

(3) Main financial information of important associated enterprises

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

	Ending Balance/Amount Incurred in the Current Period	Opening balance/Amount Incurred in the Previous Period	
	Logistics Group	Weihai Shanghang	Logistics Group
Current Assets	2,930,928,006.85	35,252,587,849.94	2,546,773,171.63
Including: cash and cash equivalents	806,236,469.11	21,203,835,612.72	440,278,098.82
Non-current Assets	2,941,790,879.26	189,224,538,017.42	2,352,417,423.74
Total Assets	5,872,718,886.11	224,477,125,867.36	4,899,190,595.37
Current Liabilities	2,162,194,643.83	175,130,195,960.05	1,230,877,721.79
Non-current Liabilities	511,138,497.11	31,116,402,774.55	825,376,333.13
Total liabilities	2,673,333,140.94	206,246,598,734.60	2,056,254,054.92
Minority equity	340,634,778.89	524,552,880.08	72,933,474.52
Equity attributable to shareholders of parent company	2,858,750,966.28	17,705,974,252.68	2,770,003,065.93
Net assets shares counted based on shareholding ratio	714,687,741.57	2,471,754,005.67	692,500,766.48
Adjustment items		187,700,346.47	
- Goodwill		84,054,761.12	
- Internally unrealized profits			
- Others		103,645,585.35	
Book value for equity investment of associated enterprises	710,448,432.75	2,659,454,352.14	692,500,766.48
The fair value of equity investment in joint ventures with open bids.			
Operation revenue	4,798,730,645.97	10,594,040,754.28	2,329,689,661.91
Financial expenses	34,000,820.75		39,932,851.38
Income tax expense	46,831,460.23	321,013,946.34	29,163,361.14
Net Profits	71,822,621.05	1,603,541,514.84	42,662,769.46
Discontinued operating net profit			
Other comprehensive income		18,008,112.96	
Total Comprehensive Income	71,822,621.05	1,621,549,627.80	42,662,769.46
Dividends received from the associated enterprise during the current year.		32,186,991.00	

Other statements

Weihai City Commercial Bank, listed on the Hong Kong Stock Exchange in October 2020, is expected to disclose its annual report in April, so the Company will not disclose its financial information.

(4). Summary of unimportant financial information of joint ventures and associated enterprises.

Applicable Not applicable

Unit: yuan Currency: CNY

	Ending Balance/Amount Incurred in the Current Period	Opening balance/Amount Incurred in the Previous Period
Joint ventures:		
Total book value of investments	109,487,773.41	56,522,735.67
Total amount of the following items calculated according to shareholding ratio		
- Net profit	1,965,037.74	5,383,018.25
- Other comprehensive income		
- Total comprehensive income	1,965,037.74	5,383,018.25
Associated enterprises:		
Total book value of investments	5,365,312,988.47	4,737,416,825.35
Total amount of the following items calculated according to shareholding ratio		
- Net profit	187,985,695.38	64,238,113.56
- Other comprehensive income		
- Total comprehensive income	187,985,695.38	64,238,113.56

Other statements

None.

(5). Description of significant restrictions on the ability of joint ventures or associated enterprises to transfer funds to the company.

Applicable Not applicable

(6). Excess loss of joint venture or associated enterprise.

Applicable Not applicable

(7). Unconfirmed commitments related to joint venture investment.

Applicable Not applicable

(8). Contingent liabilities related to investment in joint ventures or associated enterprises.

Applicable Not applicable

4. Important joint operations

Applicable Not applicable

5. Equity in structured entities not included in consolidated financial statements.

Description of structured entities not included in the scope of consolidated financial statements:

Applicable Not applicable

6. Other

Applicable Not applicable

X. Risks related to financial instruments

Applicable Not applicable

The Group's main financial instruments include borrowings, receivables, accounts payable, tradable financial assets, and tradable financial liabilities, etc. For a detailed description of each financial instrument, see Note VI. The risks related to these financial instruments and the risk management policies adopted by the group to

reduce these risks are as follows. The management level of the Group manages and monitors these exposures to ensure that the above risks are within specified limits.

1. Various risk management objectives and policies

The objective of the Group in risk management is to achieve an appropriate balance between risks and returns, reduce the negative impact of risk on the Group's business performance to the lowest level, and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the group's risk management is to determine and analyze all kinds of risks faced by the Group, establish appropriate risk tolerance bottom line and carry out risk management, and supervise all kinds of risks in a timely and reliable manner to control the risks within the limits.

(1) Market risks

1) Risk of exchange rate.

The operating income and capital expenditure of the Group are settled in RMB, and the fluctuation of exchange rate has no significant impact on the Group's performance.

2) Risk of interest rate

The interest rate risk of the Group arises from interest bearing debts such as bank loans and bonds payables. Due to the financial liabilities with floating interest rates, the Company faces cash flow interest rate risks, while due to financial liabilities with fixed interest rates, the Company faces fair value interest rate risks. The Group determined the relative proportion between fixed interest rate and floating interest rate contracts according to the prevailing market environment. As at 31 December 2020, the Group's interest-bearing liabilities are mainly the renminbi-denominated floating-rate borrowing contracts with a total amount of 36,118,692,679.92 RMB (31 December 2019: 29,612,392,677.92 RMB) and the renminbi-denominated fixed-rate borrowing contracts with a total amount of 13,554,670,000.00 RMB (31 December 2019: 6,653,799,999.00 RMB).

The risk of changes of the Group in fair value of financial instruments due to changes in interest rates is mainly related to bank borrowings with fixed rate. The Group determines the proportion of fixed rate and floating rate financial instruments according to the market environment and maintains an appropriate combination of financial instruments through regular review and monitoring.

The risk of changes of the Group in cash flow of financial instruments due to changes in interest rates is mainly related to bank borrowings with floating rate. The policy of the Group is to maintain the floating interest rate of these borrowings to eliminate the fair value risk of interest rate changes.

(2). Credit risks.

On December 31, 2020, the largest credit risk exposure that may cause financial loss of the Group is mainly from the loss of the financial assets of the Group due to the non-performance of the other party of the contract, including:

Book amount of the financial assets recognized in the consolidated balance sheet change accordingly for the financial instruments measured at fair value.

The working capital of the Group is deposited in banks with high credit rating, so the credit risk of working capital is relatively low.

In addition, for receivables, other receivables and notes receivable, the group has set relevant policies to control credit risk exposure. The Group evaluates customers' credit qualification and sets the corresponding credit period based on the customers' financial status, the possibility of obtaining the guarantee from a third party, credit records and other factors such as current market conditions. The Group will regularly check customers' credit records. For customers with poor credit records, the Group will send the written form of letter for debt reminding, shorten or even cancel the credit period to ensure that the overall credit risks of the Group are under control.

(3). Liquidity risk.

Liquidity risk refers to the risk that the Group is unable to fulfill its financial obligations on the maturity date. The approach of the Group of liquidity risk management is to ensure that there is sufficient liquidity to meet the maturity liability without causing unacceptable loss or damage to the goodwill of the enterprise. The Group regularly analyzes the liability structure and term to ensure sufficient funds. The management level of the Group monitors the use of bank borrowings and ensures compliance with the loan agreement. At the same time, the Group will negotiate with financial institution to maintain a certain credit line and reduce liquidity

risk.

The financial assets and financial liabilities held by the Group are analyzed according to the maturity of undiscounted remaining contractual obligations as follows:

Amount on December 31, 2020

Item	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Financial assets					
Monetary funds	2,260,788,437.97				2,260,788,437.97
Notes receivable	80,086,113.33				80,086,113.33
Receivables financing	150,000,016.63				150,000,016.63
Accounts receivable	526,453,736.43				526,453,736.43
Other receivables	4,491,069,189.06				4,491,069,189.06
Financial liability					
Short-term loans	2,861,018,522.06				2,861,018,522.06
Accounts payable	4,667,741,873.74				4,667,741,873.74
Other payables	3,423,415,991.89				3,423,415,991.89
Other non-current liabilities due within one year	3,692,845,879.29				3,692,845,879.29
Other current liabilities	2,529,825,261.70				2,529,825,261.70
Long-term Loans		2,464,701,631.26	7,567,281,357.78	24,945,998,648.81	34,977,981,637.85

1. Sensitivity analysis.

The group adopts sensitivity analysis technology to analyze the possible impact of reasonable and possible changes of risk variables on the current profit and loss or shareholders' equity. Since any risk variable rarely changes in isolation, and the correlation between variables will have a significant effect on the final impacted amount of the risk variable change, the following is carried out under the assumption that the change of each variable is independent.

(1) Sensitivity analysis of foreign exchange risk.

The operating income and capital expenditure of the Group are mainly settled in CNY, and the fluctuation of exchange rate has no significant impact on the group's performance.

(2) Sensitivity analysis of interest risk.

The sensitivity analysis of interest rate risk is based on the following assumptions:

The change of interest rate on market affects the interest income or expense of variable interest rate financial instruments;

For the fixed interest rate financial instrument measured at fair value, the change of market interest rate only

affects its interest income or expense;

The fair value changes of derivative financial instruments and other financial assets and liabilities are calculated by the discounted cash flow method at the market interest rate on the balance sheet date.

On the basis of the above assumptions, the reasonable change of interest rate may have the following impact on the current profit and loss and equity under the condition that other variables remain unchanged:

Item	Change of interest rate	2020		2019	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
Borrowing with floating rate	Increase by 1%	-240,676,710.74	-240,676,710.74	-203,040,242.75	-203,040,242.75
Borrowing with floating rate	Decrease by 1%	240,676,710.74	240,676,710.74	203,040,242.75	203,040,242.75

XI. Disclosure of fair value

1. Ending fair value of assets and liabilities measured at fair value

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Ending fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement				
(I) Trading financial assets			637,481,614.78	637,481,614.78
① Financial assets measured at fair value and whose changes are included in the current profit or loss			637,481,614.78	637,481,614.78
(1) Debt instrument investment			637,481,614.78	637,481,614.78
(2) Equity instrument investment				
(3) Derivative financial assets				
2. Financial assets that are designated to be measured at fair value and whose changes are included into the profits and losses of current period				
(1) Debt instrument investment				
(2) Equity instrument investment				
(II) Other debt investment				
(III) Other equity instrument investment			349,241,523.36	349,241,523.36
(IV) Investment real estates				
1. Land use right for rent				
2. Buildings for rent				
3. Land use rights that are held and prepared to be transferred upon appreciation				
(V) Receivables financing			150,000,016.63	150,000,016.63
Total assets continuously measured at			1,136,723,154.77	1,136,723,154.77

fair value				
(VI) Trading financial liabilities				
1. Financial liabilities measured at fair value and whose changes are included in current profits and losses				
Including: issued trading bonds				
Derivative financial liabilities				
Others				
2. Financial liabilities designated to be measured at fair value and whose changes are included into the current profits and losses				
Total liabilities continuously measured at fair value				
II. Non-recurring fair value measurement				
(I) Assets held for sale				
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

2. The basis for recognizing market price of the continuous and non-continuous first-level items measured at fair value

Applicable Not applicable

3. Continuous and non-continuous second-level items measured at fair value, the valuation techniques adopted and the qualitative and quantitative information of important parameters

Applicable Not applicable

4. Continuous and non-continuous third-level items measured at fair value, the valuation techniques adopted and the qualitative and quantitative information of important parameters

Applicable Not applicable

The receivable financing is a bank acceptance bill with a short maturity date. The difference between the fair value and the book value is extremely small, so the fair value is estimated as the book value;

Debt instrument investment. For the debt investment, the discount model of cash flow is used for valuation, and the unobservable input value is the discount rate;

Due to the lack of recent information on equity instrument investment and other equity instrument investment used to determine the fair value, and there is no significant change in the operation of the invested company, the Company uses cost as its estimated fair value.

5. Continuous third level fair value measurement items, adjustment information between opening and closing book value and sensitivity analysis of unobservable parameters.

Applicable Not applicable

6. The reasons for the conversion and the policies for determining the conversion years (if the items are continuously measured at fair value, and the conversion occurs among different levels within the current period)

Applicable Not applicable

7. Technical changes in valuation during the current period and the reasons for such changes

Applicable Not applicable

8. The fair value of financial assets and financial liabilities not measured at fair value

Applicable Not applicable

The financial assets and liabilities of the Group measured at amortized cost mainly include: receivables, long-term receivables, short-term loans, payables, non current liabilities due within one year, long-term loans, bonds payables and long-term payables.

There is no significant difference between the book value and fair value of financial assets and liabilities not measured at fair value.

The fair value of the bonds payable from holding to maturity investment with active market shall be determined by the quoted price in the active market. It shall belong to the first level. For long-term loans, long-term payables and bonds payable without active market, the fair value of the future cash flow specified in the contract shall be determined by the present value of the discounted interest rate with comparable credit rating in the market and providing almost the same cash flow under the same conditions. It belongs to the third level.

9. Other

Applicable Not applicable

XII. Affiliates and affiliate transaction**1. Parent company of the enterprise**

Applicable Not applicable

Unit: yuan Currency: CNY

Name of Subsidiary	Registered Place	Nature of Business	Registered capital	Shareholding ratio of parent company in the enterprise (%)	Proportion of voting rights of parent company in the enterprise (%)
Shandong Hi-Speed Group Co., Ltd.	Jinan	Expressway construction and management	4,590,000	70.91	70.91

Information about parent company of the enterprise

None.

The ultimate controlling party of the enterprise is Shandong Hi-Speed Group Co., Ltd.

Other statements:

None.

2. Subsidiaries of the Company

For details of subsidiary companies of the enterprise, please refer to the notes

Applicable Not applicable

For details of subsidiaries, please refer to "IX. 1. (1) composition of group" in this note.

3. Joint ventures and associated enterprises of the Company

For details of important joint ventures or associated enterprises of the enterprise, please refer to the notes

Applicable Not applicable

For details of important joint ventures or associated enterprises of the Company, please refer to the relevant contents of "IX. 3. (1) Important joint ventures or associated enterprises" in this note.

The conditions of other joint ventures or associated enterprises that have related party transactions with the Company in the current period or have balance due to related party transactions with the Company in the previous period are described as follows

Applicable Not applicable

Name of joint ventures and associated enterprises	Relationship with the enterprise
Shandong Zhonglan Railway Operation Co., Ltd.	Joint ventures
Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	Joint ventures
Shandong Environmental Protection Industry Co., Ltd.	Associated enterprises
Jinan Puyuan Real Estate Co., Ltd.	Associated enterprises
Shandong Lingang Shugang Rail Transit Co., Ltd.	Associated enterprises
Shandong Hi-Speed New Material Technology Co., Ltd.	Associated enterprises
Shandong Hi-Speed Jinan Investment Co., Ltd.	Associated enterprises
Shandong Hi-Speed Xicheng Property Co., Ltd.	Subsidiary of associated enterprises
Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	Associated enterprises

Other statements

Applicable Not applicable

None

4. Other related parties

Applicable Not applicable

Name of other affiliates	Relations of other affiliates with the enterprise
High-Speed Network (Shandong) Logistics Technology Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Changtong Road and Bridge Engineering Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-speed Service Area Management Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed New Material Technology Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Road Development Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Heze Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-speed Hubei Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Construction Materials Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-speed Architectural Design Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Road & Bridge Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Petrochemical Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Logistics Supply Chain Co., Ltd.	Controlling subsidiaries of the parent company
Shandong High-speed Logistics Group Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Property Management Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Materials Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Xinlian Technology Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Xinlian Payment Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Xinwei Information Technology Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Information Engineering Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-speed Zhanlin Expressway Co., Ltd.	Controlling subsidiaries of the parent company

Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Highway & Bridge Construction Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Road and Bridge Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Railway Investment Holding Group Co., Ltd.	Controlling subsidiaries of the parent company
Weihai City Commercial Bank	Controlling subsidiaries of the parent company
Yunnan Suomeng Expressway Co., Ltd.	Controlling subsidiaries of the parent company
Guangdong Jiayi Engineering Co., Ltd.	Controlling subsidiaries of the parent company
Hubei Fanwei Expressway Development Co., Ltd.	Controlling subsidiaries of the parent company
Hubei Wuma Expressway Development Co., Ltd.	Controlling subsidiaries of the parent company
Jining Hongxiang Highway Survey and Design Institute Co., Ltd	Controlling subsidiaries of the parent company
Jiqing Hi-Speed Railway Co., Ltd.	Controlling subsidiaries of the parent company
Laizhou City Beilai Highway Investment Co., Ltd.	Controlling subsidiaries of the parent company
East Highway and Bridge Construction Corporation of Shandong	Controlling subsidiaries of the parent company
Shandong High-Speed Aowei Junshan Automobile Supply Chain Management Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Standard Container Logistics Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Expressway Service Area Promotion Construction Engineering Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Gaoguang Highway Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Engineering Detection Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong High-speed Engineering Project Management Co. Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Light Industry Investment Fund Management Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed International Tourism Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong High-Speed Hubei Maintenance Technology Co., Ltd.	Controlling subsidiaries of the parent company
Electronic charge center of Shandong Hi-Speed Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Construction Materials Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Construction Group Co., Ltd	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Jiaoan Science and Technology Development Co., Ltd	Controlling subsidiaries of the parent company
Shandong Hi-speed Technology Development Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Linzao-Zaomu Highway Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-speed Longqing Expressway Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-speed Niluo Investment and Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Qingdao West Coast Port Co., Ltd.	Controlling subsidiaries of the parent company

Shandong Hi-Speed Bioengineering Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Taidong Highway Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Weiri Highway Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-speed Culture Media Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-speed Xinbo Information Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Xinlian Technology Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Xinlian Payment Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Xinwei Information Technology Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Hi-Speed Resource Development Management Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Honglin Engineering Technology Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Juanhe Expressway Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Luqiao Building Materials Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Luqiao Construction Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Provincial Traffic Engineering Supervision Consulting Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Luqiao Engineering Design Consulting Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Sanyi Engineering Construction Supervision Co., Ltd	Controlling subsidiaries of the parent company
Shandong Railway Investment Holding Group Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Zhengchen Technology Co., Ltd.	Controlling subsidiaries of the parent company
Shandong Weilai High Speed Railway Co., Ltd.	Controlling subsidiaries of the parent company
Wuhan Jincheng Xingfa Real Estate Co., Ltd	Controlling subsidiaries of the parent company
Shandong Hi-Speed Green Technology Development Co., Ltd.	Controlling subsidiaries of the parent company
Longkou Port Group Co., Ltd.	Minority shareholder of the subsidiary company
Qingdao Pingdu Construction Investment Company	Minority shareholder of the subsidiary company
Rizhao Ganghui Logistics Co., Ltd	Minority shareholder of the subsidiary company
Zouping Communication Infrastructure Construction Investment Co., Ltd.	Minority shareholder of the subsidiary company
Huantai County Xinghuan Railway Investment Co. Ltd.	Minority shareholder of the subsidiary company
Shanghai Zhida Technology (Group) Co., Ltd.	Minority shareholder of the subsidiary company
Weifang Bincheng Investment Development Co., Ltd.	Minority shareholder of the subsidiary company
China Overseas Development (Shandong) Co., Ltd.	Minority shareholder of the subsidiary company
Shanghai Zhida Technology (Group) Co., Ltd.	Parent company of minority shareholders of the subsidiary

Other statements

None.

5. Related party transactions.

(1). Purchase and sale of goods, related transactions for providing and accepting services, purchase of goods/reception of labor service

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Related party	Content of connected transactions	Amount incurred in current period	Amount incurred in previous period
Shandong Hi-Speed Qingdao West Coast Port Co., Ltd.	Purchase of vehicles	10,462,696.08	4,243,000.00
Shandong High-Speed Aowei Junshan Automobile Supply Chain Management Co., Ltd.	Purchase of goods		1,003,715.84
Shandong Hi-Speed Engineering Detection Co., Ltd.	Purchase of goods	309,608.49	482,207.55
Shandong Hi-Speed International Tourism Co., Ltd.	Purchase of goods		115,569.00
Shandong Hi-Speed New Material Technology Co., Ltd.	Purchase of goods	23,657,719.47	
Shandong Hi-Speed Information Engineering Co., Ltd.	Purchase of goods	4,873,166.00	62,795.46
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Purchase of goods		2,209,051.71
Shandong Hi-speed Architectural Design Co., Ltd.	Project funds	1,231,200.00	
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	Project funds	54,664,439.50	152,805,531.55
Shandong Hi-Speed New Material Technology Co., Ltd.	Project funds	3,702,901.39	
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Project funds	44,677,394.11	29,429,872.10
Shandong Highway & Bridge Construction Co., Ltd.	Project funds	730,688,588.53	1,237,567,217.68
Shandong Provincial Traffic Engineering Supervision Consulting Co., Ltd.	Project funds	4,171,702.13	
Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	Project funds	28,347,565.00	
Shandong Luqiao Group Co., Ltd.	Project funds	1,191,699,478.20	2,988,170,472.95
Shandong Sanyi Engineering Construction Supervision Co., Ltd.	Project funds	2,965,107.36	
China Overseas Development (Shandong) Co., Ltd.	Project funds	7,889,908.26	
Shandong Hi-Speed Information Engineering Co., Ltd.	Project funds		281,774,272.80
Shandong High-speed Engineering Project Management Co. Ltd.	Advisory fee	22,647,696.05	25,941,785.48
Shandong Hi-speed Architectural Design Co., Ltd.	Advisory fee	1,231,200.00	8,494,580.00
Shandong Luqiao Engineering Design Consulting Co., Ltd.	Advisory fee	348,476.00	
Shandong Hi-Speed Road Development Co., Ltd.	Advertising expense	1,868,505.72	

Shandong Hi-Speed Group Co., Ltd.	Advertising expense	2,196,955.02	
Shandong Hi-Speed Engineering Detection Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	9,213,459.50	13,098,531.17
Shandong High-speed Engineering Project Management Co. Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	2,889,539.64	16,146,395.88
Shandong Hi-Speed Information Engineering Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	3,674,270.00	13,140,991.23
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	139,714,867.96	205,503,852.39
Shandong Luqiao Engineering Design Consulting Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	68,700.00	
Shandong Luqiao Group Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	158,016,430.46	243,196,240.16
Shandong Hi-Speed Road & Bridge Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities		19,731,099.07
Guangdong Jiayi Engineering Co., Ltd.	Information engineering transformation and maintenance	146,541,209.60	
Shandong High-speed Engineering Project Management Co. Ltd.	Information engineering transformation and maintenance	900,480.00	
Shandong Hi-Speed Information Engineering Co., Ltd.	Information engineering transformation and maintenance	47,098,609.53	2,589,106.61
Shandong Luqiao Group Co., Ltd.	Information engineering transformation and maintenance	819,000.00	
Shandong Hi-Speed Xinlian Payment Co., Ltd.	Information engineering transformation and maintenance		28,468,129.89
Shandong Hi-Speed Xinlian Technology Co., Ltd.	Information engineering transformation and maintenance		32,468,786.99
Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	Integrated Service	10,318,900.00	15,082,600.00
Wuhan Jincheng Xingfa Real Estate Co., Ltd	Integrated Service	363,344.40	1,323,300.86

Shandong Hi-Speed Group Co., Ltd.	Collection of ETC advance deposit		11,616,250.18
Total		2,673,991,837.46	5,334,665,356.55

Schedule of goods sold/services provided

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Related party	Content of connected transactions	Amount incurred in current period	Amount incurred in previous period
Shandong Hi-Speed New Material Technology Co., Ltd.	Project funds	2,031,324.12	
Shandong Luqiao Group Co., Ltd.	Project funds	88,932,511.00	
Shandong Zhengchen Technology Co., Ltd.	Project funds	183,486.24	
Jinan Puyuan Real Estate Co., Ltd.	Interest income	72,120,272.23	99,131,522.65
East Highway and Bridge Construction Corporation of Shandong	Sale of goods	4,336,895.74	
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	Sale of goods	8,206,141.67	
Shandong Hi-Speed Bioengineering Co., Ltd.	Sale of goods	292,769.75	
Shandong Hi-Speed Materials Group Co., Ltd.	Sale of goods	37,404,955.75	30,000,000.00
Shandong Hi-Speed New Material Technology Co., Ltd.	Sale of goods	161,291,912.22	
Shandong Hi-Speed Information Engineering Co., Ltd.	Sale of goods	4,708,185.84	
Shandong Luqiao Building Materials Co., Ltd.	Sale of goods	111,988.00	
Shandong Luqiao Construction Co., Ltd.	Sale of goods	1,998,251.32	
Shandong Highway & Bridge Construction Co., Ltd.	Sale of goods	19,105,864.80	
Shandong Luqiao Group Co., Ltd.	Sale of goods	265,508,157.83	186,489,035.15
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Sale of goods		25,358,320.70
Shandong Weilai High Speed Railway Co., Ltd.	Sale of goods	19,645,908.00	
Rizhao Ganghui Logistics Co., Ltd	Provide transportation services	389,920.93	2,478,178.82
Shandong Hi-Speed New Material Technology Co., Ltd.	Provide transportation services	3,207,193.39	
Weifang Bincheng Investment Development Co., Ltd.	Comprehensive service fee	82,641.48	593,366.02
Shandong Hi-Speed Information Engineering Co., Ltd.	Provide integrated services	1,258,634.92	
Shandong Highway & Bridge Construction Co., Ltd.	Provide integrated services	93,324.00	
Shandong Hi-speed Communication Technology Co., Ltd.	Provide integrated services	4,680.27	
Shandong Luqiao Group Co., Ltd.	Provide integrated	4,950,776.38	158,523.75

	services		
Shandong Hi-Speed New Material Technology Co., Ltd.	Provide integrated services	2,521,805.85	
Jining Hongxiang Highway Survey and Design Institute Co., Ltd	Sales of goods and comprehensive services	693,292.44	697,066.01
Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	Sales of goods and comprehensive services	407,185.36	
Shandong Hi-Speed New Material Technology Co., Ltd.	Sales of goods and comprehensive services	2,521,805.85	
Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	Sales of goods and comprehensive services	62,355.19	58,051.37
Shandong Hi-speed Architectural Design Co., Ltd.	Sales of goods and comprehensive services	796,321.98	732,910.12
Shandong Hi-Speed Jiaoan Science and Technology Development Co., Ltd	Sales of goods and comprehensive services	604.62	29,437.09
Shandong Hi-Speed Green Technology Development Co., Ltd.	Sales of goods and comprehensive services	176,465.92	95,750.34
Shandong Hi-speed Niluo Investment and Development Co., Ltd.	Sales of goods and comprehensive services	401,278.77	239,751.09
Shandong Hi-Speed Petrochemical Co., Ltd.	Sales of goods and comprehensive services	642,413.13	607,841.37
Shandong Hi-Speed Xinlian Technology Co., Ltd.	Sales of goods and comprehensive services	104,667.85	
Shandong Honglin Engineering Technology Co., Ltd.	Sales of goods and comprehensive services	110,126.04	72,625.38
Shandong Hi-Speed Xinlian Payment Co., Ltd.	Sales of goods and comprehensive services		6,955.57
Jiqing Hi-Speed Railway Co., Ltd.	Sales of goods and comprehensive services		12,184.43
Shandong Expressway Service Area Promotion Construction Engineering Co., Ltd.	Sales of goods and comprehensive services		298,753.75
Shandong Hi-Speed Group Co., Ltd.	Sales of goods and comprehensive services		61,570.24
Shandong Hi-Speed Construction Group Co., Ltd	Sales of goods and comprehensive services		41,450.95
Shandong Hi-speed Technology Development Group Co., Ltd.	Sales of goods and comprehensive services		136,736.84
Shandong Hi-speed Xinbo Information Co., Ltd.	Sales of goods and comprehensive services		614,285.72
Shandong Hi-Speed Resource Development Management Group Co., Ltd.	Sales of goods and comprehensive services		13,904.72
Total		704,304,118.88	347,928,222.08

Description of related transactions of purchase and sale of goods, provision and acceptance of services

Applicable Not applicable

(2). Related entrusted management/contracting and entrusted management/outsourcing.

Entrusted management/contracting of the company:

Applicable Not applicable

Unit: yuan Currency: CNY

Name of principal/subcontractor	Name of entrusted party/contractor	Type of entrusted/contracted assets	Start date of entrustment/contract	Termination date of entrustment/contract	Pricing basis of custody income/contract income	Trust income/contract income recognized in the current period
Shandong Hi-Speed Group Co., Ltd.	Shandong High-speed Co., Ltd	Custody of other assets	January 1, 2018 (Note 1)	December 31, 2020	Agreement	218,646,698.11
Shandong Hi-Speed Road Development Co., Ltd.	Shandong High-speed Co., Ltd	Custody of other assets	January 1, 2018 (Note 1)	December 31, 2020	Agreement	104,616,981.13
Shandong Hi-Speed Weiri Highway Co., Ltd.	Shandong High-speed Co., Ltd	Custody of other assets	January 1, 2018	December 31, 2020	Agreement	108,039,056.60
Shandong Hi-speed Longqing Expressway Co., Ltd.	Shandong High-speed Co., Ltd	Custody of other assets	January 1, 2018	December 31, 2020	Agreement	42,025,566.04
Shandong Hi-Speed Gaoguang Highway Co., Ltd.	Shandong High-speed Co., Ltd	Custody of other assets	November 30, 2019	December 31, 2020	Agreement	25,635,754.72
Shandong Hi-Speed Linzao-Zaomu Highway Co., Ltd.	Shandong High-speed Co., Ltd	Custody of other assets	November 30, 2019	December 31, 2020	Agreement	7,337,264.15
Shandong Hi-Speed Taidong Highway Co., Ltd.	Shandong High-speed Co., Ltd	Custody of other assets	July 1, 2019	December 31, 2020	Agreement	58,336,509.43
Shandong Juanhe Expressway Co., Ltd.	Shandong High-speed Co., Ltd	Custody of other assets	January 1, 2019	December 31, 2020	Agreement	40,754,749.83

Note: the types of entrusted assets are all expressways.

Description of associated trusteeship/contracting

Applicable Not applicable

Entrusted management/outsourcing of the company

Applicable Not applicable

Description of associated management/outsourcing

Applicable Not applicable

(3). Related leasing.

With the Company as lessor:

Applicable Not applicable

Unit: yuan Currency: CNY

Name of lessee	Types of leased assets	Rental income recognized in the current period	Rental income recognized in the previous period
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Shandong Hi-speed Culture Media Co., Ltd.	Right to use advertising space	460,952.38	
Rizhao Ganghui Logistics Co., Ltd	Pinglan railway freight yard and mechanical equipment	3,813,756.90	4,077,669.88
Shandong Luqiao Group Co., Ltd.	Qixing Building	1,348,892.44	
Shandong High-speed Logistics Group Co., Ltd.	Toll plaza	219,723.81	
Shandong Environmental Protection Industry Co., Ltd	Qixing Building	269,796.02	720,393.50
Shandong Hi-Speed Green Technology Development Co., Ltd.	Qixing Building	475,873.09	76,806.67
Shandong Hi-Speed Information Engineering Co., Ltd.	Pore	1,258,634.92	1,277,206.32
Shandong Hi-speed Communication Technology Co., Ltd.	Pore	589,714.29	
Shandong Hi-Speed Petrochemical Co., Ltd.	Housing	9,735,428.24	7,619,047.36
Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	Housing	293,629.46	
Shandong Hi-speed Architectural Design Co., Ltd.	Housing	1,564,061.68	1,564,061.64
Jining Hongxiang Highway Survey and Design Institute Co., Ltd	Housing	1,789,275.32	1,789,274.28
Shandong Hi-Speed Petrochemical Co., Ltd.	Housing	1,593,981.94	1,593,981.96
Shandong Hi-speed Niluo Investment and Development Co., Ltd.	Housing	1,172,371.49	711,444.60
Shandong Hi-Speed Xinlian Technology Co., Ltd.	Housing	496,948.86	
Shandong Hi-Speed New Material Technology Co., Ltd.	Housing	634,316.02	
Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	Housing	1,171,044.98	
Hubei Fanwei Expressway Development Co., Ltd.	Vehicle	48,571.42	
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Maintenance machinery and equipment		353,982.30
Shandong Hi-speed Service Area Management Co., Ltd.	Management and leasing of Guodian parking area in Xuyu road		476,190.48
Jiqing Hi-Speed Railway Co., Ltd.	Office building in Olympic Middle Road		96,788.83
Shandong Hi-Speed Jiaoan Science and Technology Development Co., Ltd	Office building in Olympic Middle Road		157,483.36
Shandong High-Speed Hubei Maintenance Technology Co., Ltd.	Maintenance of science and technology sites	110,091.74	110,091.74

With the Company as the lessee:

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Name of lessor	Types of leased assets	Rental fee recognized of this period	Rental fee recognized of previous period
Wuhan Jincheng Xingfa Real Estate Co., Ltd	Boshihui office building	2,488,972.50	1,244,993.01
Shandong Hi-speed Investment Holding Co., Ltd.	Office building of Shandong Hi-speed Group Co., Ltd	302,220.00	423,655.50
Shandong Hi-speed Service Area Management Co., Ltd.	Office building along Jiqing Expressway		583,399.84
Shandong Hi-speed Service Area Management Co., Ltd.	Public facilities		2,217,024.44

Description of associated leasing

□ Applicable √ Not applicable

(4). Situation of associated guarantee.

With the Company as the guarantor

□ Applicable √ Not applicable

With the Company as the guarantor

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Guarantor	Guarantee Amount	Starting Date of Guarantee	Due Date of Guarantee	Whether the Guarantee Has Been Fulfilled or Not
Shandong Hi-Speed Group Co., Ltd.	500,000,000.00	11/29/2019	11/29/2039	No
Shandong Hi-Speed Group Co., Ltd.	20,000,000.00	9/29/2020	10/29/2050	No
Shandong Hi-Speed Group Co., Ltd.	12,000,000.00	9/29/2020	9/29/2050	No
Shandong Hi-Speed Group Co., Ltd.	8,000,000.00	10/9/2020	10/9/2050	No
Shandong Hi-Speed Group Co., Ltd.	225,340,000.00	1/11/2016	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	202,180,000.00	1/20/2016	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	163,680,000.00	2/3/2016	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	1,053,800,000.00	3/11/2016	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	167,240,000.00	8/30/2016	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	250,880,000.00	10/31/2016	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	935,680,000.00	12/19/2016	12/20/2032	No

Shandong Hi-Speed Group Co., Ltd.	653,800,000.00	1/20/2017	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	76,950,000.00	2/9/2017	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	153,900,000.00	2/27/2017	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	76,950,000.00	4/12/2017	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	76,950,000.00	4/12/2017	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	76,950,000.00	4/14/2017	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	77,000,000.00	4/12/2017	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	77,000,000.00	4/14/2017	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	152,000,000.00	4/14/2017	12/20/2032	No
Shandong Hi-Speed Group Co., Ltd.	220,000,000.00	11/30/2016	12/20/2032	No

Description of associated guarantee.

Applicable Not applicable

(5) Borrowing and lending of related parties

Applicable Not applicable

(6). Asset transfer and debt restructuring of related parties.

Applicable Not applicable

Unit: yuan Currency: CNY

Related party	Content of connected transactions	Amount incurred in current period	Amount incurred in previous period
Shandong Hi-Speed Materials Group Co., Ltd.	Property transaction	35,000,000.00	
Shandong Hi-Speed Group Co., Ltd.	Property transaction	3,487,254,636.00	

(7). Remuneration of key management personnel.

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
Remuneration of key management personnel	1090.62	871.66

(8). Other related transactions.

Applicable Not applicable

Name of related party	Transaction type	Amounts incurred of current year	Amount incurred in last year
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Weihai City Commercial Bank	Deposit interest income	8,908,716.12	11,777,523.64
Weihai City Commercial Bank	Loan interest expense	127,945,408.00	183,814,702.70

Note: loan interest is the interest paid by the Company through Weihai City Commercial Bank Co., Ltd. accepting entrusted loans.

6. Receivables and payables of related parties

(1) Receivables

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Project Name	Related party	Ending balance		Beginning balance	
		Book balance	Bad debt reserves	Book balance	Bad debt reserves
Current account deposit	Weihai City Commercial Bank	324,239,293.69		858,700,147.99	
Other receivables	High-Speed Network (Shandong) Logistics Technology Co., Ltd.	14,339.00			
Other receivables	Huantai County Xinghuan Railway Investment Co. Ltd.	70,000,000.00	18,884,200.00		
Other receivables	Jinan Puyuan Real Estate Co., Ltd.	452,732,622.93		1,107,671,674.63	
Other receivables	Qingdao Pingdu Construction Investment Company	50,000.00		50,000.00	
Other receivables	Shandong Hi-Speed Standard Container Logistics Co., Ltd.	21,539.00		14,101.00	
Other receivables	Shandong Hi-Speed Changtong Road and Bridge Engineering Co., Ltd.	20,000.00			
Other receivables	Shandong Hi-speed Service Area Management Co., Ltd.	333,951.69		339,850.33	
Other receivables	Shandong Hi-Speed New Material Technology Co., Ltd.	13,476.27			
Other receivables	Shandong Hi-Speed Road Development Co., Ltd.	4,638,404.08			
Other receivables	Shandong Hi-Speed Light Industry Investment Fund Management Co., Ltd.	49,221.90		237,284.48	
Other receivables	Shandong Hi-Speed Heze Development Co., Ltd.	5,001.61			
Other receivables	Shandong Hi-speed Hubei Development Co., Ltd.	348,646.09		144,347.36	
Other receivables	Shandong Hi-Speed Group Co., Ltd.	1,955,791.13		41,776,835.24	
Other receivables	Shandong Hi-Speed Petrochemical Co., Ltd.	32,137.00		70,758.10	
Other receivables	Shandong High-speed Logistics Group Co., Ltd.	4,605.00		3,107.00	

Other receivables	Shandong Hi-Speed Property Management Co., Ltd.	5,000.00		4,950.00	
Other receivables	Shandong Hi-Speed Xicheng Property Co., Ltd.	2,680,123,634.69		2,690,123,634.69	
Other receivables	Shandong Hi-Speed New Material Technology Co., Ltd.	34,885.02			
Other receivables	Shandong Hi-Speed Xinlian Payment Co., Ltd.	7,831,217.04		6,676.02	
Other receivables	Shandong Hi-speed Service Area Management Co., Ltd.	11,269,340.24			
Other receivables	Shandong Hi-speed Zhanlin Expressway Co., Ltd.	1,500,000.00			
Other receivables	Shandong Lingang Shugang Rail Transit Co., Ltd.	5,197,219.00			
Other receivables	Shandong Luqiao Construction Co., Ltd.	1,757,654.88		200,000.00	
Other receivables	Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	210,433.37		3,866,463.41	
Other receivables	Shandong Highway & Bridge Construction Co., Ltd.	6,269,048.12			
Other receivables	Shandong Environmental Protection Industry Co., Ltd.	269,796.02			
Other receivables	Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	2,000.00		2,000.00	
Other receivables	Shandong Luqiao Group Co., Ltd.	11,140,681.70		1,747,525.50	
Other receivables	Shandong Railway Investment Holding Group Co., Ltd.			43,651,366.06	
Other receivables	Yunnan Suomeng Expressway Co., Ltd.	100,721.00		100,721.00	
Other receivables	Zouping Communication Infrastructure Construction Investment Co., Ltd.	44,000,000.00	11,870,000.00		
Other receivables	Shanghai Zhida Technology (Group) Co., Ltd.	18,410,029.32		56,581,703.19	
Other receivables	Shandong Juanhe Expressway Co., Ltd.			10,034,275.00	
Other receivables	Shandong Hi-speed Architectural Design Co., Ltd.			69,112.22	
Other receivables	Laizhou City Beilai Highway Investment Co., Ltd.			1,201.83	
Notes receivable	Shandong Hi-Speed Construction Materials Co., Ltd.	4,000,000.00			
Notes receivable	Shandong Hi-speed Architectural Design Co., Ltd.	200,000.00			
Notes receivable	Shandong Hi-Speed Qilu Construction Group Co., Ltd.	3,698,920.00			

Notes receivable	Shandong Lingang Shugang Rail Transit Co., Ltd.	2,500,000.00			
Notes receivable	Shandong Luqiao Construction Co., Ltd.	5,000,000.00			
Notes receivable	Shandong Highway & Bridge Construction Co., Ltd.	2,500,000.00			
Notes receivable	Shandong Hi-Speed Group Co., Ltd.	3,000,000.00			
Notes receivable	Shandong Luqiao Group Co., Ltd.	9,500,000.00		56,614,808.00	
Accounts receivable	Shandong Hi-Speed Qilu Construction Group Co., Ltd.	4,927,266.59			
Accounts receivable	Shandong Hi-Speed Materials Group Co., Ltd.	33,184,800.00			
Accounts receivable	Shandong Hi-Speed New Material Technology Co., Ltd.	135,263,799.69			
Accounts receivable	Shandong Hi-Speed Xinlian Technology Co., Ltd.	288,289.42			
Accounts receivable	Shandong Hi-Speed Xinwei Information Technology Co., Ltd.	178,500.00		178,500.00	
Accounts receivable	Shandong Hi-Speed Information Engineering Co., Ltd.	527,625.00			
Accounts receivable	Shandong Luqiao Construction Co., Ltd.	1,793,689.67			
Accounts receivable	Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	20,047.50		20,047.50	
Accounts receivable	Shandong Highway & Bridge Construction Co., Ltd.	4,182,932.35			
Accounts receivable	Shandong Luqiao Group Co., Ltd.	227,054,735.82		4,515,261.32	
Accounts receivable	Shandong Hi-speed Communication Technology Co., Ltd.	619,200.00		614,285.72	
Accounts receivable	Shandong Hi-speed Architectural Design Co., Ltd.			1,738,165.01	
Accounts receivable	Shandong Hi-speed Niluo Investment and Development Co., Ltd.			52,719.81	
Prepayment	Shandong Hi-Speed Group Co., Ltd.	14,426.64		16,000.00	
Prepayment	Shandong Hi-Speed Logistics Supply Chain Co., Ltd.	1,000,013.90			
Prepayment	Shandong Hi-Speed Property Management Co., Ltd.	32,220.00			
Prepayment	Shandong Hi-Speed Xinlian Technology Co., Ltd.	57,356.04			
Prepayment	Shandong Hi-Speed Xinlian Payment Co., Ltd.	9,026.38		7,330.00	

Prepayment	Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	273,911.87		38,561,178.08	
Prepayment	Shandong Luqiao Group Co., Ltd.	197,244,382.70		482,031,794.26	
Prepayment	Shandong Expressway Service Area Promotion Construction Engineering Co., Ltd.	71,878,367.59		71,705,508.73	
Prepayment	Shandong Hi-Speed Qilu Construction Group Co., Ltd.	10,633,941.78		17,516,586.79	
Prepayment	Shandong Highway & Bridge Construction Co., Ltd.	330,104,673.96		264,455,844.86	
Prepayment	Shandong Hi-Speed Information Engineering Co., Ltd.	1,938,725.47		8,731,286.93	

(2). Payables.

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Project Name	Related party	Ending book balance	Beginning book balance
Deferred Income	Weifang Bincheng Investment Development Co., Ltd.	2,375,943.44	2,458,584.92
Contract liabilities	Rizhao Ganghui Logistics Co., Ltd	2,011.23	219,765.40
Contract liabilities	Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	67,442.45	
Contract liabilities	Shandong Hi-Speed New Material Technology Co., Ltd.	138,894.79	
Contract liabilities	Shandong High-speed Engineering Project Management Co. Ltd.	849.06	849.06
Contract liabilities	Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	117,301.38	80,424.02
Contract liabilities	Shandong Hi-speed Architectural Design Co., Ltd.	163,069.01	
Contract liabilities	Shandong Hi-speed Technology Development Group Co., Ltd.	943.4	943.4
Contract liabilities	Shandong Hi-Speed Road & Bridge Co., Ltd.	655,226.92	
Contract liabilities	Shandong Hi-Speed Green Technology Development Co., Ltd.	93,668.63	
Contract liabilities	Shandong Hi-speed Niluo Investment and Development Co., Ltd.	248,619.55	
Contract liabilities	Shandong Hi-Speed Petrochemical Co., Ltd.	159,162.09	147,304.89
Contract liabilities	Shandong Hi-Speed Xinlian Technology Co., Ltd.	169,981.98	
Contract liabilities	Shandong Luqiao Group Co., Ltd.	60,598.52	
Contract liabilities	Shandong Hi-Speed Xinlian Payment Co., Ltd.		4,644.25
Other payables	Guangdong Jiayi Engineering Co., Ltd.	25,580,979.37	
Other payables	Longkou Port Group Co., Ltd.	24,621,590.40	24,621,590.40
Other payables	Rizhao Ganghui Logistics Co., Ltd	7,723,319.95	7,723,319.95
Other payables	Shandong Hi-Speed Standard Container Logistics Co., Ltd.	6,000.00	6,000.00
Other payables	Shandong Hi-Speed Changying Equity Investment	18,396,292.91	16,051,492.91

	Management Co., Ltd.		
Other payables	Shandong Hi-speed Service Area Management Co., Ltd.	2,863,768.98	2,863,768.98
Other payables	Shandong Hi-Speed Gaoguang Highway Co., Ltd.	1,000,558.03	737,932.00
Other payables	Shandong Hi-Speed Engineering Detection Co., Ltd.	1,011,603.49	692,479.62
Other payables	Shandong High-speed Engineering Project Management Co. Ltd.	2,671,589.39	1,486,122.03
Other payables	Shandong Hi-Speed Road Development Co., Ltd.	28,481,284.61	17,516,432.87
Other payables	Shandong Hi-Speed International Tourism Co., Ltd.	33,350.00	33,350.00
Other payables	Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	5,074.53	5,074.53
Other payables	Electronic charge center of Shandong Hi-Speed Group Co., Ltd.	65,000.00	76,710.00
Other payables	Shandong Hi-Speed Group Co., Ltd.	330,708,724.58	327,479,612.83
Other payables	Shandong Hi-Speed Construction Materials Co., Ltd.	4,000,000.00	
Other payables	Shandong Hi-Speed Linzao-Zaomu Highway Co., Ltd.	276,610.00	215,466.00
Other payables	Shandong Hi-speed Longqing Expressway Co., Ltd.	1,364,564.56	626,682.81
Other payables	Shandong Hi-Speed Green Technology Development Co., Ltd.	120,445.36	
Other payables	Shandong Hi-Speed Qilu Construction Group Co., Ltd.	4,105,030.63	2,776,110.63
Other payables	Shandong Hi-Speed Qingdao West Coast Port Co., Ltd.	16,692.00	8,346.00
Other payables	Shandong Hi-Speed Taidong Highway Co., Ltd.	6,702,427.16	3,451,178.17
Other payables	Shandong Hi-Speed Weiri Highway Co., Ltd.	11,295,735.37	6,296,802.10
Other payables	Shandong Hi-speed Culture Media Co., Ltd.	100,000.00	100,000.00
Other payables	Shandong Hi-Speed Property Management Co., Ltd.	1,816.32	1,816.32
Other payables	Shandong Hi-Speed Information Engineering Co., Ltd.	24,536,345.66	21,015,678.09
Other payables	Shandong Juanhe Expressway Co., Ltd.	5,338,647.05	2,036,193.00
Other payables	Shandong Lingang Shugang Rail Transit Co., Ltd.	312,474,560.25	
Other payables	Shandong Luqiao Construction Co., Ltd.	210,000.00	210,000.00
Other payables	Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	41,192,036.42	69,149,425.90
Other payables	Shandong Highway & Bridge Construction Co., Ltd.	5,703,967.60	1,812,815.21
Other payables	Shandong Luqiao Group Co., Ltd.	97,763,031.19	42,416,822.08
Other payables	Shandong Railway Investment Holding Group Co., Ltd.	1,516,348,633.94	960,000,000.00
Other payables	Weifang Bincheng Investment Development Co., Ltd.	100,000.00	
Other payables	Shandong Zhonglan Railway Operation Co., Ltd.	82,212,798.72	
Other payables	Shandong Sanyi Engineering Construction Supervision Co., Ltd		188,000.00
Other payables	Shanghai Zhida Technology (Group) Co., Ltd.	31,500,000.00	31,500,000.00
Other payables	Shandong Hi-Speed Xinlian Payment Co., Ltd.		14,632,626.24
Other payables	Shandong Environmental Protection Industry Co., Ltd		22,000.00

Other payables	Hubei Fanwei Expressway Development Co., Ltd.		94,133.14
Other payables	Hubei Wuma Expressway Development Co., Ltd.		29,250.00
Other payables	Shandong Honglin Engineering Technology Co., Ltd.		5,000.00
Other payables	China Railway High Speed Logistics (Shandong) Co., Ltd.		10,000.00
Other payables	Shandong Hi-Speed Jinan Investment Co., Ltd.	51,592,623.31	51,592,623.31
Other payables	Shandong Hi-Speed Xicheng Property Co., Ltd.	131,594,717.16	131,594,717.16
Other payables	Jinan Puyuan Real Estate Co., Ltd.		1,834,780.48
Dividends payable	Shandong Hi-Speed Group Co., Ltd.		10,821,084.94
Accounts payable	Guangdong Jiayi Engineering Co., Ltd.	57,679,944.27	
Accounts payable	Qingdao Pingdu Construction Investment Company	4,016,568.00	4,016,568.00
Accounts payable	Shandong High-Speed Awei Junshan Automobile Supply Chain Management Co., Ltd.	31,710.00	31,710.00
Accounts payable	Shandong Hi-speed Service Area Management Co., Ltd.	97,581.93	97,581.93
Accounts payable	Shandong Hi-Speed Engineering Detection Co., Ltd.	2,252,629.03	2,580,381.04
Accounts payable	Shandong High-speed Engineering Project Management Co. Ltd.	10,250,176.63	24,138,502.27
Accounts payable	Shandong Hi-Speed Road Development Co., Ltd.	1,956,579.11	88,073.39
Accounts payable	Shandong Hi-Speed Group Co., Ltd.	2,317,000.89	120,045.87
Accounts payable	Shandong Hi-Speed Construction Materials Co., Ltd.	2,000,000.00	
Accounts payable	Shandong Hi-speed Architectural Design Co., Ltd.	14,000.00	
Accounts payable	Shandong Hi-Speed Road & Bridge Co., Ltd.	526,847.89	3,233,880.92
Accounts payable	Shandong Hi-Speed Green Technology Development Co., Ltd.	7,052.58	7,052.58
Accounts payable	Shandong Hi-Speed Qilu Construction Group Co., Ltd.	10,415,593.85	
Accounts payable	Shandong Hi-Speed Qingdao West Coast Port Co., Ltd.	9,013,592.55	106,435.00
Accounts payable	Shandong Hi-Speed Petrochemical Co., Ltd.	65,969.01	65,969.01
Accounts payable	Shandong Hi-Speed Materials Group Co., Ltd.	1,100,000.00	
Accounts payable	Shandong Hi-Speed New Material Technology Co., Ltd.	15,263,205.49	
Accounts payable	Shandong Hi-Speed Information Engineering Co., Ltd.	76,113,338.92	57,974,516.98
Accounts payable	Shandong Luqiao Construction Co., Ltd.	353,871.42	353,871.42
Accounts payable	Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	77,412,442.72	107,411,421.36
Accounts payable	Shandong Highway & Bridge Construction Co., Ltd.	522,285,520.73	66,899,711.07
Accounts payable	Shandong Provincial Traffic Engineering Supervision Consulting Co., Ltd.	1,231,644.84	
Accounts payable	Shandong Luqiao Engineering Design Consulting Co., Ltd.	348,476.00	
Accounts payable	Shandong Luqiao Group Co., Ltd.	1,000,004,324.88	501,875,446.54

Accounts payable	Shandong Sanyi Engineering Construction Supervision Co., Ltd	219,850.05	
Accounts payable	China Overseas Development (Shandong) Co., Ltd.	352,150.28	
Accounts payable	Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	2,499,000.00	
Deposit received	Jining Hongxiang Highway Survey and Design Institute Co., Ltd	149,105.24	146,337.84
Deposit received	Shandong Hi-Speed New Material Technology Co., Ltd.	536,728.92	
Deposit received	Shandong Hi-speed Architectural Design Co., Ltd.	130,338.54	142,899.49
Deposit received	Shandong Hi-speed Niluo Investment and Development Co., Ltd.	1,058,146.37	37,013.85
Deposit received	Shandong Hi-Speed Xinlian Technology Co., Ltd.	871,401.04	
Deposit received	Shandong Hi-Speed Information Engineering Co., Ltd.	7,964,317.51	9,222,952.43
Deposit received	Shandong Hi-speed Service Area Management Co., Ltd.	158,730.15	634,920.63
Deposit received	Shandong Hi-Speed Jiaoan Science and Technology Development Co., Ltd		473.68
Deposit received	Shandong Hi-Speed Materials Group Co., Ltd.		9,082,800.00
Long-term Loans(note)	Weihai City Commercial Bank	2,110,010,000.00	3,516,670,000.00

Note: long-term loans are entrusted loans accepted by the Company through Weihai Commercial Bank Co., Ltd.

7. Commitment of related parties

Applicable Not applicable

8. Other

Applicable Not applicable

XIII. Share based payment

1. General situation of share-based payment

Applicable Not applicable

Unit: Share Currency: RMB

Total amount of each equity instrument granted by the Company in the current period	98,280,000.00
Total amount of each equity instrument exercised by the Company in the current period	
Total amount of each equity instrument lapsed by the Company in the current period	
The range of exercise prices of stock options issued and outstanding by the Company at the end of the period and its remaining contractual term	Exercise price of RMB 3.96, remaining contract term of 42 months
Range of exercise prices of other equity instruments issued and outstanding by the Company at the end of the period and its remaining contractual term	None

Other statements

None

2. Equity-settled share-based payments√ Applicable Not applicable

Unit: yuan Currency: CNY

Method of determining the fair value of equity instruments at the date of grant	Black-Scholes model
Basis for determining the number of exercisable equity instruments	Best estimate based on the number of employees with viable rights, etc.
Reasons for significant differences between current period estimates and prior period estimates	None
Accumulated amount of equity-settled share-based payments charged to capital surplus	18,429,300.00
Total expense recognized for equity-settled share-based payments during the period	18,429,300.00

Other statements

None.

3. Cash-settled share-based payments Applicable √ Not applicable**4. Amendment and termination of share-based payment** Applicable √ Not applicable**5. Other** Applicable √ Not applicable**XIV. Commitments and contingencies****1. Important committed matters** Applicable √ Not applicable**2. Contingencies****(1). Significant contingencies at the balance sheet date.**√ Applicable Not applicable

On December 23, 2019, the Intermediate People's Court of Henan Province ruled that Shandong Railway Transportation Group Co., Ltd. bears the liquidated damages and deferred interest on the value of the land for the expansion of the Xinkai Railway, and reduces creditor's rights and deferred interest payment of Xinmi Chaohua-Mazhen railway assets (2019Y01MC No. 1533). As of December 31, 2020, based on the judgment, a liability of RMB 81,263,665.18 was formed, which mainly consisted of liquidated damages of RMB 68,632,151.00 and interest on liquidated damages of RMB 12,524,430.24. In this case, the company's bank deposit of RMB 19,000,000.00 was frozen.

On December 9, 2019, Shunxin Asset Management Company sued Shandong Rail Transit Group Co., Ltd. to repay the plaintiff's loan and the interest on the loan. The Company has fully accrued the principal and interest of the estimated liabilities of RMB 13,076,100.00 in full in accordance with the final judgment of the Jinan Intermediate People's Court. Disagreeing with the judgment of the case, the Company applied to the Shandong Higher People's Court for a retrial on January 14, 2021. Disagreeing with the judgment of the case, the Company applied to the Shandong Higher People's Court for a retrial on January 14, 2021.

Other than the above matters, the Company has no other contingent matters to disclose as of December 31, 2020.

(2). If the company has no important contingencies to be disclosed, please explain: Applicable √ Not applicable**3. Other** Applicable √ Not applicable**XV. Events after balance sheet date****1. Significant non-adjusting events** Applicable √ Not applicable

2. Profit distribution√ Applicable Not applicable

Unit: yuan Currency: CNY

Profit or dividend to be distributed	1,828,243,025.66
Profits or dividends declared to be distributed after deliberation and approval	

3. Sales return Applicable Not applicable**4. Description of other post-balance sheet events** Applicable Not applicable**XVI. Other important matters****1. Correction of previous accounting errors.****(1). Retrospective restatement.** Applicable Not applicable**(2). Future applicable method.** Applicable Not applicable**2. Debt restructuring** Applicable Not applicable**3. Asset replacement****(1). Exchange of non monetary assets.** Applicable Not applicable**(2). Exchange of other assets.** Applicable Not applicable**4. Pension plan** Applicable Not applicable**5. Discontinued operations** Applicable Not applicable**6. Segment information****(1). Determination basis and accounting policy of report segment.**√ Applicable Not applicable

The Group determines operating segments according to internal organizational structure, management requirement and internal report system. The Group determines the report segment based on management subdepartment.

(1) Basis for determining reportable segments and accounting policies

The reporting segment of the Group is a business unit that provides different products or services or operates in different regions. As different businesses or regions need different technology and market strategies, the Group independently manages the production and operation activities of each reporting segment and evaluates its operation results to decide to allocate resources and evaluate its performance. For management purposes, the Group is divided into five reportable segments based on service and product categories and the development of each business segment.

The transfer price among segments is determined by referring to the price used for sales to the third party.

Assets are distributed according to the operation of the segment and the location of the asset. Liabilities are distributed according to the operation of the segment. Expenses indirectly attributable to each segment are

distributed among segments according to the proportion of income.

(2). Financial information of the reporting segment.

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Item	Toll road and bridge business in Shandong	Toll road and bridge business in Henan	Toll road and bridge business in Hunan	Toll road and bridge business in Hubei	Railway transport	Engineering material manufacturing	Real estate development	Others	Inter segment offset	Total
Operation revenue	5,435,665,454.72	258,736,001.79	175,614,950.41	691,459,073.20	2,843,135,432.38	715,033,847.13	16,613,672.79	1,760,602,766.30	531,696,417.57	11,365,164,781.15
Operating cost	3,137,866,389.93	136,713,829.82	161,461,293.41	341,564,105.44	2,370,833,151.67	489,170,135.37	16,613,672.79	1,518,547,202.03	612,292,780.19	7,560,477,000.27
Interest income	203,672,282.92	1,086,218.29	102,710.99	713,593.06	81,629,885.68	615,926.39	59,585,744.88	277,192,431.63	530,731,558.88	93,867,234.96
Interest expense	1,373,619,243.73	66,376,226.70	207,584,766.78	214,608,761.14	49,281,439.40	8,157,330.80	137,117,981.89	144,039,556.89	498,946,765.16	1,701,838,542.17
Total profit	2,877,819,306.31	40,638,322.84	-184,361,569.99	117,890,555.71	474,543,196.18	117,669,644.32	-187,492,851.10	1,227,217,960.61	1,499,058,755.30	2,984,865,809.58
Total assets	71,471,631,996.98	2,726,617,762.20	4,256,131,788.01	8,467,520,803.50	8,590,817,999.06	1,065,238,257.98	3,640,162,642.19	19,379,803,591.34	26,680,621,317.34	92,917,303,523.92
Total liabilities	41,875,393,063.49	1,680,327,789.80	5,136,517,786.36	5,650,958,171.41	6,638,654,302.33	400,158,234.83	2,355,190,274.32	4,995,994,340.02	12,110,551,063.28	56,622,642,899.28
Supplementary information										
Depreciation and amortization	1,737,855,989.41	90,369,260.66	101,055,190.37	194,150,570.30	158,457,793.27	21,838,451.75	1,162,753.10	35,100,971.73	-7,222,415.80	2,347,213,396.39
Non cash expenses other than depreciation and amortization										

(3). If the company has no report segments, or cannot disclose the total assets and total liabilities of each report segment, the reasons shall be explained.

Applicable Not applicable

(4). Other notes

Applicable Not applicable

7. Other important transactions and matters having an impact on investors' decisions

Applicable Not applicable

(1) According to the Maximum Amount Pledge Contract with Jinan Longao Branch of Industrial and Commercial Bank of China Limited (formerly known as Jinan Shanda Road Branch of Industrial and Commercial Bank of China Limited) with number of 2010 Shanda Road Zhizi No. 0011 signed by the company on July 27, 2010 and the Maximum Amount Pledge Contract signed with Jinan Longao Branch of Industrial and Commercial Bank of China Limited with number of 0160200031-2015 Shanda (Zhi) Zi No.37 on October 18, 2016, the Company takes the toll right of Jinan Laiwu Section of Jinghu Expressway (auxiliary line) as the pledge, and the main creditor's right period of the pledge is from July 27, 2010 to December 31, 2031 (including the starting date and expiration date of the period). During the period of this pledge, ICBC Jinan Long'ao Sub-branch provided the Company with a loan with a maximum balance of RMB2,776,624,000. As of December 31, 2020, the loan balance was RMB 1,498,108,100 (including: RMB 239,267,800 for the portion due within one year and RMB 1,258,840,400 for the portion due over one year).

(2) The company signed the Maximum Amount Pledge Contract with Jinan Longao Branch of Industrial and Commercial Bank of China Limited (formerly known as Jinan Shanda Road Branch of Industrial and Commercial Bank of China Limited) on November 16, 2018 with No. 016020031-2018 Shanda (Zhi) Zi 0017. The Company takes the Qingyin Expressway K166 + 351 to K106 + 351 as the pledge, and the main creditor's rights period of the pledge is from November 13, 2018 to December 31, 2038 (including the start date and expiration date of the period). During the period of this pledge, ICBC Jinan Long'ao Sub-branch provided the Company with a loan with a maximum balance of RMB50,000,000.00, and the balance of the loan as of December 31, 2020 is RMB 2,260,000,000.00 (including: RMB122,622,000 for the portion due within one year and RMB2,137,837,800 for the portion due over one year).

(3) As of December 31, 2020, the Company had a mortgage loan balance of RMB9,057,300,000 with China Development Bank Shandong Branch and Agricultural Bank of China Jinan Heping Sub-branch by pledging highway toll rights and all the proceeds thereunder of Jinan-Qingdao Expressway (Jiqing Expressway) after the completion of the Jinan-Qingdao Expressway Improvement and Expansion Project, as follows.

(3) RMB Funds Loan Contract No. 3710201701100000620 dated December 15, 2017 with China Development Bank Shandong Branch, pledging the highway toll rights of section K246+351 to K166+351 of Jiqing Expressway with a loan balance of RMB 4,528,300,000.00 as of December 31, 2020.

Agricultural Bank of China Fixed Asset Loan Contract No. 37010420170000175 dated February 16, 2017 with ABC Jinan Heping Sub-branch, pledging the highway toll rights of section K323+351 to K322+237 of Jinan-Qingdao Expressway with a loan balance of RMB66,000,000.00 as of December 31, 2020; Agricultural Bank of China Fixed Asset Loan Contract No. 37010420170000752 dated November 2, 2017 with ABC Jinan Heping Sub-branch, pledging the road toll rights of section K322+236 to K318+015 of Jinan-Qingdao Expressway, with a loan balance of RMB 250,000,000.00; Agricultural Bank of China Fixed Asset Loan Contract No. 37010420170000773 dated November 21, 2017 with ABC Jinan Heping Sub-branch, pledging the highway toll rights of section K318+014 to K315+650 of Jinan-Qingdao Expressway, with a loan balance of RMB140,000,000.00 as of December 31, 2020.

The Company entered into agreements "Agricultural Bank of China Fixed Assets Loan Contract" Nos. 37010420180000047, 37010420180000050, 37010420180000113, 37100201500082936-7, 37100201500082936-8, 37100201500082936-9, 37100201500082936-10, 37100201500082936-11, 37100201500082936-12 dated January 26, 2018, January 30, 2018, February 12, 2018, May 16, 2018, June 26, 2018, July 23, 2018, September 5, 2018, September 17, 2018, and September 21, 2018, respectively, with ABC Jinan Heping Sub-Branch, pledging the toll rights of section K323+351 to K247+351 of Qingyin Expressway, with the loan balance as of December 31, 2020 of RMB4,044,000,000.00.

"Agricultural Bank of China Fixed Assets Loan Contract" No. 37100201500082936-14, dated October 23, 2020 signed between the Company and ABC Jinan Heping Sub-Branch, pledging the highway toll rights of section K246+867 to K238+914 of Jiqing Expressway, with the loan balance as of December 31, 2020 of RMB 29,000,000.00.

(4) According to the Fixed Assets Loan Contract No. PSBC43-YYT2019062201 dated June 22, 2019 between Hunan Hengshao Expressway Co., Ltd and China Postal Savings Bank Corporation Changsha

Branch, the loan amount is RMB 1,809,000,000.00 and the loan term is from June 22, 2019 to June 21, 2037, with the borrowing interest rate floating up or down the RMB benchmark lending rate in the five-year or longer maturity bracket applicable on the drawdown date of the People's Bank of China. On June 22, 2019, the Maximum Pledge Contract with No. of PSBC43-ZY2019062201 signed with Changsha Branch of China Post Savings Bank Co., Ltd with the charging right of Hengshao Expressway as the pledge. As of December 31, 2020, the balance of long-term borrowings under this loan contract is RMB1,734,000,000.00, of which 50,000,000.00 due within one year has been reclassified to non-current liabilities due within one year.

According to the loan contract NYJZ No. 430114001 (2006) No. 005 signed between Hunan Hengshao Expressway Co., Ltd. and Agricultural Bank of China Hunan Branch on September 25, 2006, the loan amount is RMB 2,900,000,000.00 and the actual loan issued is RMB 1,870,000,000.00, the loan term is from September 30, 2006 to June 30, 2037, with the borrowing interest rate floating up or down the benchmark interest rate of RMB loans published by the People's Bank of China for the same period. The maximum right pledge contract NYGZZ No. 8 430114001 (2012) was signed on December 13, 2012. As of December 31, 2020, the balance of long-term borrowings under this pledge contract is RMB1,178,000,000.00, of which RMB18,000,000.00 is due within one year and has been reclassified to non-current liabilities due within one year.

(5) According to the mortgage contract for legal person No. ZH1900000035734 signed between Shandong Expressway Hunan Development Co., Ltd. and China Minsheng Bank Co., Ltd. Changsha Branch on March 26, 2019, the contract amount is RMB246,000,000, the loan term is from March 26, 2019 to March 26, 2029, and the borrowing interest rate is the benchmark loan interest rate for the same period announced by the People's Bank of China and applicable on the signing date of the contract. Attached is the mortgage list of the company dated September 4, 2019 with room 3601-6601 with the real estate of No.1 building 1 Huachuang International Plaza: Rm 3601-6601, No. 109, Section 1, Furong Middle Road, Kaifu District, Changsha City as the mortgage. As of December 31, 2020, the balance of long-term borrowings under this pledge contract is RMB22,100,000,000, of which RMB35,000,000.00 is due within one year and has been reclassified to non-current liabilities due within one year.

(6) Shandong Ruitong Logistics Co., Ltd. entered into three short-term loan contracts, respectively (2093000)CZBank Ultra-short loan (2019)No.06299 (RMB10,000,000.00, loan term from September 9, 2019 to September 28, 2019), (2093000)CZBank Ultra-short loan (2019)No.06925 (RMB4,000,000.00, loan term from September 29, 2019 to December 31, 2019), (2093000)CZBank Ultra-short loan (2019)No.07874 (RMB9,900,000.00, loan term from November 9, 2019 to January 1, 2020), in 2019 with Zheshang Bank Co., Ltd. Jinan Branch, all of which are pledged by the bill pool. The company's loan balance with Zheshang Bank Jinan Branch as of December 31, 2019 is RMB 0.00.

(7) On May 11, 2020, Shandong Ruitong Logistics Co., Ltd. entered into the Loan Contract for Merger and Acquisition Loan No. ZH2000000051148 with China Minsheng Bank, Ltd. for a loan amount of RMB 26,300,000, with a term from May 11, 2020 to November 11, 2026. It is stated within the terms of the contract that the lender is provided with a mortgage guarantee by Ruitong Logistics Company with its mining rights as the mortgaged property under Mortgage Contract No. DB2000000039705, and the balance of this long-term borrowing as of December 31, 2020 is RMB 263,000,000.00.

(8) On May 28, 2020, Shandong Hi-Speed Railway Construction Equipment Co., Ltd. entered into a working capital loan contract No. 37010120200004204 with Agricultural Bank of China Linqu County Sub-branch, with a loan amount of RMB 60,000,000.00 and a loan term until May 26, 2021. The loan is secured by the mortgage property of industrial buildings and land use rights of Shandong High-speed Railway Construction Equipment Co., Ltd. in accordance with the Maximum Mortgage Contract No. 37100620200005731, and the balance of the loan is RMB 60,000,000.00 as of December 31, 2020.

(9) Jiyuan Jijin Expressway Co., Ltd respectively signed the loan contract and pledge contract with Jiyuan Branch of Industrial and Commercial Bank of China Limited (hereinafter referred to as "Jiyuan Branch of ICBC"), Jiyuan Tiantan Road Branch of China Construction Bank Co., Ltd (hereinafter referred to as "Jiyuan Tiantan Road Branch of China Construction bank") and Henan Jiyuan Rural Commercial Bank Co., Ltd Wulongkou Branch (hereinafter referred to as "Wulongkou Branch of Henan Agricultural Commercial Bank") with the toll right of Jiyuan Jincheng Expressway as the pledge. As of December 31, 2020, the net value of the pledged toll rights is RMB 1,161,715,100 and the loan balance is RMB 357,000,000 (including: RMB 68,000,000 for the portion due within one year and RMB 289,000,000 for the portion due over one year), as follows:

On April 30, 2009, entered into JG (2009) No. 001 RMB Funds Loan Contract with CCB Jiyuan Tiantan Road Sub-branch and also entered into the Rights Pledge Contract No. JG (2009) No. 001 - Pledge No. 01; the loan balance is RMB 31,000,000.00 (including: RMB 20,000,000.00 for the portion due within one year and RMB 11,000,000.00 for the portion due over one year).

8. Other

Applicable Not applicable

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

Applicable Not applicable

Item accrued by combination:

(2). Classified disclosure by bad debt provision method.

Applicable Not applicable

Provision for bad debts accrued on an individual basis:

Applicable Not applicable

Provision for bad debts accrued on a portfolio basis:

Applicable Not applicable

If the provision for bad debts is based on the typical model of expected credit losses, please refer to the disclosure of other receivables:

Applicable Not applicable

(3). Situation of bad-debt provision.

Applicable Not applicable

Of which the significant amount of provision for bad debts recovered or reversed in the current period:

Applicable Not applicable

(4). Accounts receivable actually written off in the current period.

Applicable Not applicable

Write off of important accounts receivable

Applicable Not applicable

(5). Top five accounts receivable of ending balance collected by debtors.

Applicable Not applicable

(6). Receivables derecognized due to transfer of financial assets.

Applicable Not applicable

(7). Amount of assets and liabilities formed by transfer of accounts receivable and continuous involvement.

Applicable Not applicable

Other statements:

Applicable Not applicable

2. Listing of other receivable projects

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance	Beginning balance
Interest receivable		
Dividends receivable	75,037,985.75	
Other receivables	6,144,530,054.07	4,489,749,765.83
Total	6,219,568,039.82	4,489,749,765.83

Other statements:

Applicable Not applicable

Interest receivable**(1) Classification of interest receivable**

Applicable Not applicable

(2) Significant overdue interest

Applicable Not applicable

(3). Provision for bad debts.

Applicable Not applicable

Other statements:

Applicable Not applicable

(4). Dividends receivable.

Applicable Not applicable

Unit: yuan Currency: CNY

Project (or investee unit)	Ending balance	Beginning balance
Jinan Changying transportation infrastructure investment fund partnership (limited partnership)	75,037,985.75	
Total	75,037,985.75	

(5). Important dividends receivable with account age over 1 year.

Applicable Not applicable

(6). Provision for bad debts.

Applicable Not applicable

Other statements:

Applicable Not applicable

Other receivables

(1). Disclosure by account receivable age.

Applicable Not applicable

Unit: yuan Currency: CNY

Aging	Ending book balance
Within 1 year	
Including: sub items within 1 year	
Sub-total within 1 year	2,506,690,974.76
1 to 2 years	2,007,613,926.29
2 to 3 years	187,534,227.84
3 to 4 years	165,009,949.86
4 to 5 years	533,905,782.13
More than 5 years	749,682,852.36
Total	6,150,437,713.24

(2). Classification by the nature of receivables.

Applicable Not applicable

Unit: yuan Currency: CNY

Nature of receivables	Ending book balance	Beginning book balance
Advances from subsidiaries	6,004,824,421.05	4,425,695,749.97

Toll split	35,587,573.15	66,750,325.29
Advance for engineering materials		
Others	110,025,719.04	
Total	6,150,437,713.24	4,492,446,075.26

(3). Provision for bad debts.

Applicable Not applicable

Unit: yuan Currency: CNY

Bad debt reserves	Phase I	Phase II	Phase III	Total
	Expected credit loss in the next 12 months	Expected credit loss over the life (no credit impairment)	Expected credit loss over the life (credit impairment occurred)	
Balance as of January 1, 2020	2,662,626.93		33,682.50	2,696,309.43
On January 1, 2020, balance will be transferred into				
-Carried to Phase II				
- Carried to Phase III				
- Carried back to Phase II				
- Carried back to Phase I				
Accrual in current period	3,211,349.74			3,211,349.74
Amount reversed in current period				
Amount resold in current period				
Amount written off in current period				
Other changes				
Balance as of December 31, 2020	5,873,976.67		33,682.50	5,907,659.17

Explanation of significant changes in the carrying amount of other receivables for which changes in the provision for losses occurred in the current period:

Applicable Not applicable

The amount of provision for bad debts for the period and the basis used to assess whether there is a significant increase in the credit risk of the financial instrument:

Applicable Not applicable

(4). Situation of bad-debt provision.

Applicable Not applicable

Unit: yuan Currency: CNY

Category	Beginning balance	Current change amount				Ending balance
		Accrual	Recovery or reversal	Resale or writing off	Other changes	
Bad debts of other receivables	2,696,309.43	3,211,349.74				5,907,659.17
Total	2,696,309.43	3,211,349.74				5,907,659.17

In which, the amount of bad debt reserves reversed or recovered in the current period is important:

Applicable Not applicable

(5). Other receivables actually written off in the current period.

Applicable Not applicable

(6) Top five other receivables with ending balances grouped by party in arrears

Applicable Not applicable

Unit: yuan Currency: CNY

Company name:	Nature of receivables	Ending balance	Aging	Proportion in total closing balance of other receivables (%)	Ending balance of provision for bad debt
Shandong Hi-Speed Investment Development Co., Ltd.	Principal and interest	3,162,667,355.21	1-9 years	51.42	
Hunan Hengshao Expressway Co., Ltd.	Principal and interest	2,097,730,957.42	1-8 years	34.11	
Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.	Principal and interest	360,000,000.00	1-3 years	5.85	
Yantai Hesheng Real Estate Development Co., Ltd.	Principal and interest	282,705,175.01	1-2 years	4.6	
Shandong Hi-Speed Hunan Development Co., Ltd.	Principal and interest	60,251,037.49	1-2 years	0.98	
Total	/	5,963,354,525.13		96.96	

(7). Receivables related to government subsidies

Applicable Not applicable

(8). Other receivables derecognized due to transfer of financial assets.

Applicable Not applicable

(9). Amount of assets and liabilities formed by transfer of other receivables and continuous involvement.

Applicable Not applicable

Other statements:

Applicable Not applicable

4. Long-term equity investment

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Investment in subsidiaries	14,552,751,366.00		14,552,751,366.00	14,682,540,943.38		14,682,540,943.38
Investment in associates and joint ventures	7,645,571,356.62		7,645,571,356.62	7,402,022,274.35		7,402,022,274.35
Total	22,198,322,722.62		22,198,322,722.62	22,084,563,217.73		22,084,563,217.73

(1) Investment in subsidiaries

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Investee	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance	Impairment provision for the current period	Ending balance of impairment reserves
Shandong Hi-speed Rail Transit Group Co., Ltd.		1,722,260,992.62		1,722,260,992.62		
Shandong Hi-Speed Investment Development Co., Ltd.	4,000,000,000.00			4,000,000,000.00		
Shandong Hi-Speed Industrial Development Co., Ltd.	19,000,000.00			19,000,000.00		
Shandong Lijin Huanghe Highway and Bridge Co., Ltd.	77,597,944.28			77,597,944.28		
Shandong Hi-Speed Henan Development Co., Ltd.	483,038,056.20			483,038,056.20		
Hunan Hengshao Expressway Co., Ltd.	455,000,000.00			455,000,000.00		
Shandong Hi-Speed Hunan Development Co., Ltd.	200,000,000.00			200,000,000.00		
Shandong Hi-Speed Qilu Construction Transport Administration Service Co., Ltd.	500,000,000.00			500,000,000.00		
Jinan Changying Jincheng Equity Investment Partnership (Limited Partnership)	5,010,000,000.00		1,510,000,000.00	3,500,000,000.00		
Hubei Wujing Expressway Development Co., Ltd.	1,481,824,942.90			1,481,824,942.90		
Jinan Changying Jinhai Investment Partnership (Limited Partnership)		2,114,029,430.00		2,114,029,430.00		
Jinan Changying Jin'an Investment Partnership (Limited Partnership)	2,456,080,000.00		2,456,080,000.00	-		
Total	14,682,540,943.38	3,836,290,422.62	3,966,080,000.00	14,552,751,366.00		

(2) Investment in associates and joint ventures

√ Applicable □ Not applicable

Unit: yuan Currency: CNY

Investee	Beginning balance	Increase or decrease in current period								Ending balance	Ending balance of
		Additional	Decreased	Profits and	Adjustment of	Other equity	Declaration	Accrual of	Others		

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		investment	investment	losses on investment recognized by equity method	other comprehensive income	changes	and distribution of cash dividends or profits distribution	impairment reserves			impairment reserves
I. Joint venture											
Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	50,870,462.10			1,768,533.97						52,638,996.07	
Subtotal	50,870,462.10			1,768,533.97						52,638,996.07	
II. Associated enterprises											
Weihai City Commercial Bank	2,659,454,352.14			197,058,843.04	-34,300,106.11	-74,467,431.98	69,395,798.70			2,678,349,858.39	
Shandong High-speed Logistics Group Co., Ltd.	692,500,766.48			17,947,666.27						710,448,432.75	
Shandong High-speed Engineering Project Management Co. Ltd.	61,883,479.57		1,737,768.98	21,738,329.14					-7,655,851.91	74,228,187.82	
Shandong Hi-Speed Changying Huitong Equity Investment Fund Partnership (Limited Partnership)	18,773,771.68			1,280,807.66						20,054,579.34	
Dongxing Securities Co., Ltd.	2,372,539,748.49			72,931,666.23	-24,107,726.41		16,798,500.00			2,404,565,188.31	
Fujian	414,739,204.41			25,706,280.73			4,134,026.52			436,311,458.62	

Longma Environmental Sanitation Equipment Co., Ltd.											
Shandong Environmental Protection Industry Co., Ltd	8,616,004.04			570,224.04						9,186,228.08	
Shandong General Aviation Service Co., Ltd		89,900,000.00		1,146,718.15						91,046,718.15	
Shandong Hi-Speed Zhongtong New Growth Driver Industrial Investment Fund of Shandong Province (Limited Partnership)		34,500,000.00								34,500,000.00	
CSIC EIT (Shandong) City Operation Service Co., Ltd		9,800,000.00								9,800,000.00	
Shandong Hi-Speed Chengtai Venture Capital Fund for New Growth Drivers of Shandong Province (limited		20,305,753.42								20,305,753.42	

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partnership)											
Jinan Changying Transportation Infrastructure Investment Fund Partnership	678,033,236.41	100,000,000.00		55,143,070.96						833,176,307.37	
Shandong Hi-Speed Yingli New Energy Co., Ltd.	23,993,777.36		25,000,000.00	-2,886,115.02					3,892,337.66		
Qingdao Changying Jinpeng Equity Investment Partnership (Limited Partnership)	420,617,471.68		165,000,000.00	15,342,176.63						270,959,648.31	
Subtotal	7,351,151,812.26	254,505,753.42	191,737,768.98	405,979,667.83	-58,407,832.52	-74,467,431.98	90,328,325.22		-3,763,514.25	7,592,932,360.56	
Total	7,402,022,274.36	254,505,753.42	191,737,768.98	407,748,201.80	-58,407,832.52	-74,467,431.98	90,328,325.22		-3,763,514.25	7,645,571,356.63	

Other statements:

None.

5. Operating revenue and operating cost**(1). Operating revenue and operating cost.**

√ Applicable □ Not applicable

(2). Incomes from contract

□ Applicable √ Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	
	Income	Cost
Main business	5,394,830,592.81	3,120,847,666.36
including toll revenue in Shandong Province	4,789,117,560.31	2,560,753,129.25
Revenue from expressway trusteeship	605,713,032.50	560,094,537.11
Other businesses	38,714,949.38	5,673,870.04
Including: Rental income	22,219,638.11	3,753,860.04
Others	16,495,311.27	1,920,010.00
Total	5,433,545,542.19	3,126,521,536.40

Unit: yuan Currency: CNY

Item	Amount incurred in previous period	
	Income	Cost
Main business	5,389,031,414.38	2,565,600,777.25
including toll revenue in Shandong Province	4,858,911,302.83	2,072,152,309.10
Revenue from expressway trusteeship	27,639,681.86	493,448,468.15
Other businesses	27,639,681.86	4,096,290.04
Including: Rental income	22,114,563.87	3,753,860.04
Others	5,525,117.99	342,430.00
Total	5,416,671,096.24	2,569,697,067.29

(3). Explanation for performance obligations

□ Applicable √ Not applicable

(4). Explanation for allocation to remaining performance obligations

□ Applicable √ Not applicable

Other statements:

None.

6. Incomes from investment

□ Applicable √ Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in current period	Amount incurred in previous period
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Income from long-term equity investment based on cost method	1,264,186,640.42	1,077,133,517.75
Long-term equity investment income calculated by the equity method	407,748,201.80	309,202,461.97
Investment income from disposal of long-term equity	8,228,862.59	
Interest income of debt investment during holding period	209,446,263.65	
Total	1,889,609,968.46	1,386,335,979.72

Other instructions:

None.

7. Other

Applicable Not applicable

XVIII. Supplementary information

1、 Current non recurring profit and loss statement.

Applicable Not applicable

Unit: yuan Currency: CNY

Item	Amount	Description
Profit or loss on disposal of non-current assets	-29,117,978.28	Mainly arising from disposal of fixed assets
Tax return or reduction approved beyond authority or without formal approval documents		
Government subsidies included in the current profit and loss (closely related to the business of the enterprise, except the government subsidies entitled according to the unified national standard quota or quantitative)	77,882,681.46	Mainly for construction compensation and various incentive grants
Fund occupation fee charged to non-financial enterprises included in current profit and loss.		
When the investment cost of acquisition of subsidiaries, joint ventures or partnership enterprises of the Company is less than the gains from the fair value of the net identifiable assets of the invested organizations, the Company shall enjoy at the time of investment.		
Profit or loss from non-monetary assets exchange		
Profit or loss from entrusted assets investment or management		
Multiple provisions for impairment due to force majeure, e.g.: natural disasters		
Profit or loss from debt restructuring		
Restructuring expenses, such as employee relocating compensation and integration charges		
Profit or loss from the excess over fair value in transactions where transaction prices are obviously unfair		
Net current profit or loss of subsidiaries generated from business combination under common control from the beginning of a period to the combining date	181,832,760.37	Due to the merger of the Rail Transit
Profit or loss of contingencies not related to normal operations		

In addition to the effective hedging business related to the Company's normal business operations, the gains and losses from fair value changes generated by holding trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, and investment incomes obtained from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investment	53,591,622.82	Mainly generated due to Shenzhen company's investment projects
Reversal of provisions for impairment for receivables subject to separate impairment test and contract assets		
Profit or loss from external entrusted loans		
Profit or loss generated from fair value change of investment real estate properties under subsequent measurement at fair value		
Influence on current profit or loss from one-off adjustment in accordance with tax and accounting laws and regulations, etc.		
Income of trustee fee from commission management		
Other non-operating revenues and expenses except above	62,349,030.87	Mainly as a result of road compensation income and interest compensation received from Shanghai Zeta
Other profit or loss items in line with definition of non-recurring profit or loss		
Affected amount of income tax	-24,201,265.48	
Affected amount of minority shareholders' equity	-100,206,879.46	
Total	222,129,972.30	

The reasons shall be explained if the no-recurring profit and loss items defined by the company in accordance with the Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public-Non-recurring Profit and Loss and the non-recurring profit and loss items listed in Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public-Non-recurring Profit and Loss are defined as recurring profit and loss items.

Applicable Not applicable

2. Return on equity and earnings per share

Applicable Not applicable

Profit in the reporting period	Weighted average return on net assets (%)	Earnings per share:	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to shareholders of the parent company	6.30	0.402	0.401
Net profit attributable to common shareholders of the Company after deducting non-recurring profit and loss	5.82	0.365	0.364

3. Differences in accounting data calculated in accordance with domestic and foreign accounting standards respectively

Applicable Not applicable

4. Other

Applicable Not applicable

Chapter XII List of Documents Available for Inspection

Contents of reference file	
Contents of reference file	
Contents of reference file	

Chairman: Sai Zhiyi

Date of approval by the board of directors: March 31, 2021

Revision information

Applicable Not applicable