

Company Code: 600350

Abbreviation of Company: SDHS

2020 Semi-annual Report of Shandong Hi-speed Company Limited

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. All directors of the Company attended the Board meeting.**
- III. The semi-annual report has not been audited.**
- IV. Sai Zhiyi, the Company leader, Lyu Sizhong, the person in charge of accounting work, Zhou Liang, the chief accountant, and Chen Fang, the person in charge of accounting organization (accountant in charge) hereby declare that the financial statement in the semi-annual report is true, accurate and complete.**
- V. The profit distribution plan or common reserves capitalizing plan during the reporting period reviewed by the Board of Directors**

In the first half of 2020, the Company will not make profit distribution and common reserves capitalizing.

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. Whether the Company's controlling shareholder or any of its affiliates misappropriates the Company's funds for non-operating purposes?

No

VIII. Whether the Company provides external guarantees in violation of the stipulated decision-making procedures?

No

IX. 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.

X. Others

Applicable Not applicable

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Section 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 Hi-speed Company Limited
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 Highway 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.
Industrial Corporation	refer to	Shandong Hi-Speed Industrial Development Co., Ltd.
Shengbang Company	refer to	Jinan Shengbang Real Estate Co., Ltd.
Xicheng Real Estate	refer to	Shandong Hi-Speed Xicheng Property Co., Ltd.
Huibo Real Estate	refer to	Jinan Huibo Real Estate Co., Ltd.
Jitai Mining	refer to	Shandong Hi-Speed Jitai Mining Investment Co., Ltd.
Environmental 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
Dongxing Securities	refer to	Dongxing Securities Company, 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)
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 Property 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
Reconstruction and Extension of Dezhou-Qihe Section of Beijing-Taibei Expressway, Reconstruction and Extension of Beijing-Taibei Expressway, Reconstruction and Extension Project of Dezhou-Qihe Section of Beijing-Taibei Expressway, Reconstruction and Extension Project of Beijing-Taibei Expressway	refer to	Reconstruction and Extension Project of Dezhou(border Between Shandong and Hebei)-Qihe Section of Beijing-Taibei Expressway
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 Management Group Co., Ltd
Luyu Company	refer to	Luzhou Southeast Expressway Development Co., Ltd.

Section II Company Profile and Major Financial Indicators

I. Company Information

Chinese Name of the Company	Shandong Hi-speed Company Limited
Abbreviation of Chinese Name	山东高速
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. Change on 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, P. R. C.
Postal Code of the Office Address	250101
Company Website	http://www.sdecl.com.cn
E-mail	sdhs@sdecl.com.cn

IV. Change on 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 the Semi-annual Report	www.sse.com.cn
Place for Inspection of Semi-annual Report	No. 5006, Aoti Middle Road, Jinan City, Shandong Province, Shanghai Stock Exchange

V. Basic Information 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	山东高速	600350	Shandong Infrastructure

VI. Other Relevant Information

Applicable Not applicable

VII. Major Accounting Data and Financial Indicators of the Company

(I) Major Accounting Data

Unit: Yuan Currency: RMB

Major Accounting Data	This Reporting Period (January - June)	The Same Period of Last Year		Year-on-year Increase or Decrease (%)
		After adjustment	Before adjustment	
Revenue	4,049,639,902.51	4,761,607,723.15	3,351,124,649.55	-14.95
Net profit attributable to shareholders of listed company	256,960,515.79	1,615,241,947.03	1,579,731,089.65	-84.09
Net profit attributable to shareholders of listed company after deducting non-recurring profit or loss	139,391,834.27	1,548,911,603.09	1,548,911,603.09	-91.00
Net cash flow from operating activities	1,650,328,294.98	2,528,032,420.07	2,510,291,929.30	-34.72
	End of the reporting period	End of last year		Increase or decrease at the end of this reporting period compared with the end of last year (%)
		After adjustment	Before adjustment	
Net assets attributable to shareholders of listed company	28,977,405,689.23	33,287,173,292.39	32,121,191,628.12	-12.95
Total Assets	89,929,777,585.28	87,969,945,006.57	80,359,625,413.30	2.23

(II) Major Financial Indicators

Major Financial Indicators	This Reporting Period (January - June)	The Same Period of Last Year		Year-on-year Increase or Decrease (%)
		After adjustment	Before adjustment	
Basic earnings per share (yuan/share)	0.053	0.336	0.328	-84.23
Diluted earnings per share (yuan/share)	0.053	0.336	0.328	-84.23
Basic earnings per share after deducting non-recurring profit or loss (yuan/share)	0.029	0.322	0.322	-90.99
Weighted average return on net assets (%)	0.77	5.54	5.63	Decrease by 4.77 percentage points
Weighted average return on net assets after deducting non-recurring profit or loss (%)	0.44	5.52	5.52	Decrease by 5.08 percentage points

Major Accounting Data and Financial Indicators of the Company

Applicable Not applicable

The main reason for the decrease in net profit attributable to shareholders of listed company in the first half of 2020 is the sharp decline in expressway toll revenue due to the epidemic in the first half of the year and the toll-free policy.

VIII. Accounting Data differences under Domestic and Foreign Accounting Standards

Applicable Not applicable

(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) Description of Differences Between Foreign and Domestic Accounting Standards:

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Non-recurring Profit or Loss Item	Amount	Annotation (If applicable)
Profit or loss on disposal of non-current assets	3,205,543.13	Mainly from disposal of fixed assets
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	11,636,163.80	Mainly from government support funds and other subsidies.
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 Group
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		
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	8,361,445.02	Mainly from highway property compensation
Other profit or loss items in line with definition of non-recurring profit or loss		
Affected amount of minority shareholders' equity	-83,362,769.14	
Affected amount of income tax	-4,104,461.66	
Total	117,568,681.52	

X. Others

√ Applicable □ Not applicable

Toll revenue and traffic volume of each road section

Unit: Hundred million yuan or ten thousand vehicles

Name of road section	Traffic Volume			Toll		
	First half of 2020	First half of 2019	Year on year	First half of 2020	First half of 2019	Year on year
Jinan-Qingdao Expressway	2137.41	1157.53	84.65%	8.50	6.09	39.49%
Relevant sections of Beijing-Taibei Expressway	1335.66	1648.86	-19.00%	2.63	9.26	-62.29%
Jinan-Laiwu Expressway	627.63	601.55	4.34%	1.05	2.21	-52.43%
Tai'an-Qufu Section of Beijing-Fuzhou Expressway	174.37	113.81	53.21%	0.06	0.14	-57.14%
Xuchang-Yuzhou Expressway	182.52	201.42	-9.38%	0.45	1.04	-56.58%
Weihai-Rushan Expressway	353.43	281.32	25.64%	0.33	0.63	-46.82%
Jinan Yellow River Second Bridge				0.86	2.53	-65.84%
Weifang-Laiyang Expressway	372.21	336.97	10.46%	0.80	1.29	-37.98%
Hengyang-Shaoyang Expressway	97.98	149.07	-34.27%	0.59	1.14	-48.64%
Lijin Yellow River Bridge	197.48	265.40	-25.59%	0.09	0.37	-75.05%
Henan Jiyuan-Jincheng Expressway	47.13	156.92	-69.96%	0.37	1.55	-76.40%
Hubei Wuhan-Jingmen Expressway	282.22	444.61	-36.52%	2.20	4.91	-55.20%
Total	5808.04	5357.46	8.41%	17.93	31.16	-42.36%

Note: 1. The statistics of traffic volume are all based on exit traffic, except for the entrance and exit traffic of Lijin Yellow River Highway Bridge; and the business is based on toll revenue. 2. Since May 2016, the Company's business tax has been changed to value-added tax. Since value-added tax is the tax included in price, the toll revenue in the income statement is the net amount after deducting the value-added tax, and the toll revenue in the above table is the amount actually received, so there is a difference between them. 3. Affected by the toll-free policy, the Company's tolls in the first half of 2020 have changed significantly year on year. 4. The traffic in this table includes traffic volume during the toll-free period due to the epidemic. 5. If the year-on-year percentages and total in this table are inconsistent with the calculations by data shown in this table, it is caused by conversion of the original data unit and rounding.

Section III Business Summary of the Company

I. Description of Main Business, Operation Mode and Industry Situation during the Reporting 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 revenue 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 present, the total mileage of road and bridge assets operated and managed by the Company is 2,502 kilometers, including 1,241 kilometers of the Company, and 1,261 kilometers entrusted by Shandong Hi-Speed Group.

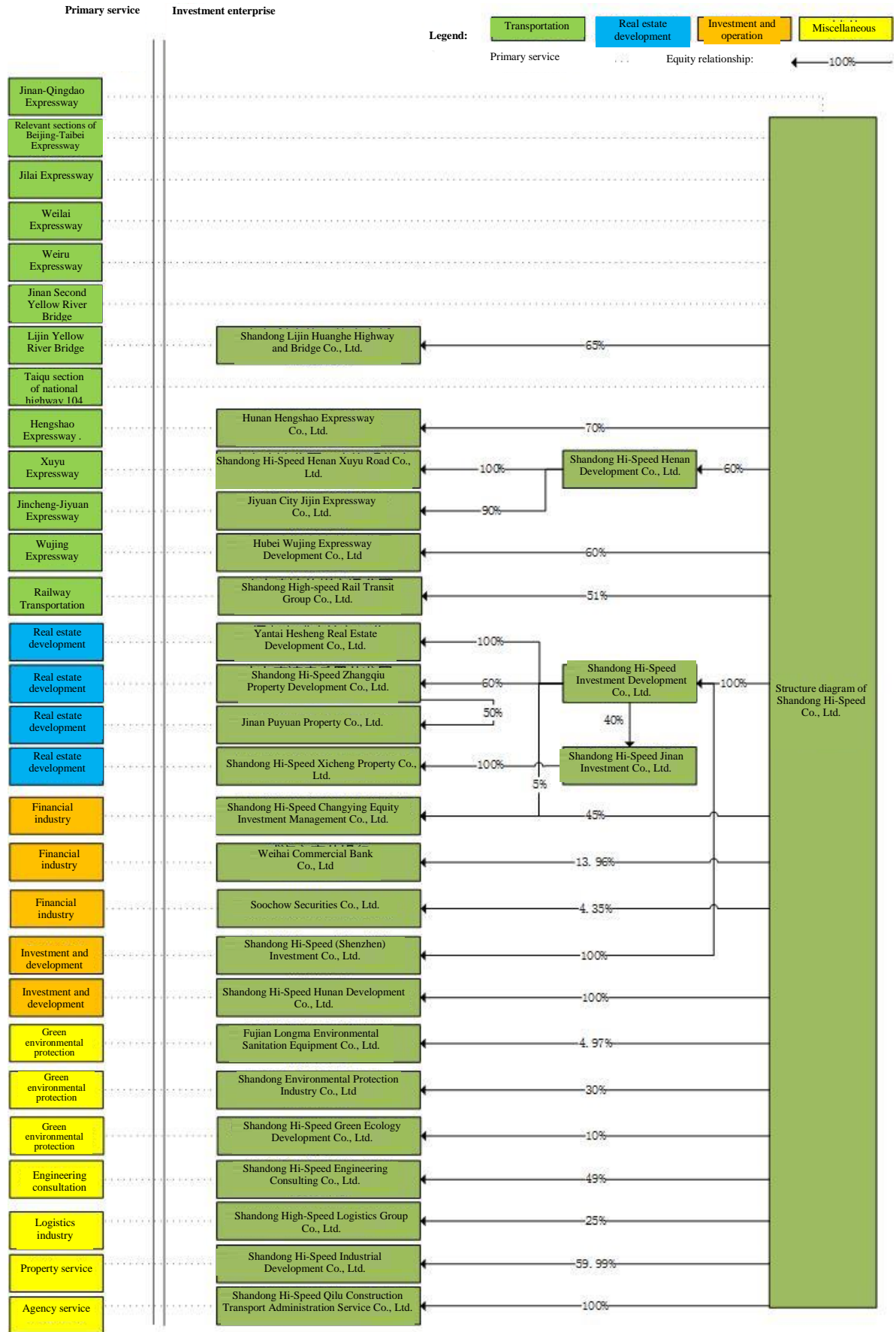
2. Investment operation

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 expands its scale in the expressway assets by horizontal merger and acquisition of expressway projects to lay its industry status. In addition, the Company gives full play to its own resource background advantages, through vertical industrial chain investment, empowers the upstream and downstream industries, and actively cultivates emerging industries, so as to achieve its long-term sustainable development goal.

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 the end of the reporting period, the enterprises (including their abbreviations) invested by the Company and their business structures are as follows:



Toll road information (as of June 30, 2020)

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	In operation
8		Jinan-Laiwu Expressway	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-	54%	2038.9.9	20.56	4	In operation

		Guangzhou Expressway					
15	Hengyang-Shaoyang Expressway	Heyang-Shaoyang Expressway in Hunan	70%	2040.12.29	132.059	4	In operation
16	Wuhan-Jingmen Expressway	Wuhan-Jingmen Expressway in Hubei	60%	2040.5	183.21	4	In operation
Total					1241.077		

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, at the eastern junction of the Silk Road Economic Belt and 21st-Century Maritime Silk Road, and at the intersection of Northeast Asian Economic Circle and the Bohai Economic Circle, is developed in economy and rich in cultural resources, and is one of China's major coastal provinces.

(II) Superior road and bridge assets

The core road and bridge assets of the Company are the main lines of expressway network of Shandong province and also an important part of China's expressway network; they are of high quality and with perfect road network, and have manifested increasingly obvious synergy, provide the Company with sufficient cash flow and adequate guarantee for its sustainable and healthy development.

(III) Excellent management team

Jinan-Qingdao Expressway operated by the Company is the first expressway in Shandong Province, after years of accumulation, the Company has cultivated and formed an experienced and quality expressway operation management team with a reasonable age structure. From constructing Jinan-Qingdao Expressway to reconstructing and expanding it, the Company has cultivated a professional construction management team with rich experience in construction management. In recent years, the Company, through cooperating with partners in the capital market, has gradually cultivated a professional capital operation team which enhances its 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, laying a solid foundation for the Company to conduct investment operation of transportation infrastructures and enter the related industries of expressway industry and value chains.

Section IV Operation Discussion and Analysis

I. Operation Discussion and Analysis

In the first half of 2020, in the face of the unexpected epidemic, under the leadership of the Company's Board of Directors and the joint efforts of all cadres and employees, the Company focused on the main business of road and bridge, implemented the original mission, and promoted all the work by closely centering on the Company's new development concept. The work of the Company in the first half of 2020 is summarized as follows:

(I) Overall Planning of Epidemic Prevention & Control and Road & Bridge Operation

In the face of the unexpected epidemic, the Company set up a special team to coordinate the epidemic prevention & control and production & operation, and all road and bridge operation organizations and

key construction projects resumed work on schedule. The Company realized 1.793 billion yuan of toll revenue in the first half of the year. During the epidemic period, the Company released 56.5141 million vehicles free of charge and reduced the toll of 2.5 billion yuan according to the principles of "no parking, no inspection, no charge, access priority" and "free service", demonstrating the social responsibility of a listed company.

(II) Steady Progress Made in Capital Operation and Assets Management

In the first half of 2020, the Company realized an investment income of 484 million yuan and completed the acquisition of 51% equity of Shandong Hi-Speed Rail Transit Group Co., Ltd. Rail Transit Group realized a net profit of 192 million yuan attributable to the parent company, a year-on-year increase of 175.93% in the first half of 2020.

In terms of the acquisition of the main business of road and bridge, the Company made every effort to promote acquisition of expressway assets, carried out due diligence, third-party consulting institution' selection and recruitment and other related matters, and simultaneously reserved high-quality expressway acquisition projects; in terms of financial investment, the Company established 5 billion military-civil integration funds for replacing old growth drivers with new ones, reserved 11 high-quality projects, withdrew Changying Jin'an and other projects, and achieved better investment income; in terms of toll station asset revitalization, among the first 9 toll stations determined for revitalization, Jiqing Lingdian and Yaoqiang toll stations were officially started for revitalization in June ahead of schedule to create "ordinary highway service area" and "driver's home".

(III) Accelerated Construction of Key Projects

The reconstruction and expansion project of Dezhou-Qihe Section of Beijing-Taibei Expressway, focusing on milestones and annual tasks, increased inputs and rearranged the construction schedule. In the first half of 2020, an investment of 2.1 billion yuan was completed, accounting for 55% of the annual plan, achieving "half of the time, half of the task". On April 15, 2020, the whole line foundation was completed on schedule. On May 30, 2020, the first process transfer was completed in advance, laying a good foundation for the smooth completion of the reconstruction and expansion of Dezhou-Qihe Section of Beijing-Taibei Expressway.

II. Major Operation Details during the Reporting Period

(I) Analysis of Main Business

1 Analysis of Changes in Related Subjects of Financial Statements

Unit: Yuan Currency: RMB

Subject	Current-period Amount	Amount in the Same Period of Last Year	Change proportion (%)
Revenue	4,049,639,902.51	4,761,607,723.15	-14.95
Operating cost	3,047,980,373.48	2,610,176,520.28	16.77
Selling expenses	40,234,228.65	25,667,073.18	56.75
Management expenses	179,947,540.97	200,123,236.91	-10.08
Financial expenses	631,481,805.94	501,708,655.55	25.87
Research and development (R&D) expenses	13,734,019.00	4,611,801.62	197.80
Net cash flow from operating activities	1,650,328,294.98	2,528,032,420.07	-34.72
Net cash flow from investment activities	-4,875,653,250.21	-4,104,032,433.35	Not applicable
Net cash flow from financing activities	3,648,099,135.03	5,124,993,802.43	-28.82

Reason for revenue change: Mainly caused by the reduction of toll revenue due to the expressway toll-free policy and the impact of the epidemic.

Reason for cost change: Mainly caused by the increase in depreciation amortization after the assets accounting from Jinan-Qingdao Expressway.

Reason for change in selling expenses Mainly caused by the increase in selling expenses of the subsidiary Rail Transit Group. Reason for change in management expenses Mainly caused by the strengthening of cost control.

Reason for change in financial expenses Mainly caused by the expensing of interest expenditure related to the assets accounting of Jinan-Qingdao Expressway. Reason for change in R&D expenses Mainly caused by the increase in R&D inputs and the increase in R&D projects.

Reason for change in net cash flow from operating activities: Mainly caused by the reduction in toll revenue.

Reason for change in net cash flow from investment activities: Mainly caused by the combined effect of the merger of Rail Transit Group under the same control and the payment of equity transfer fund during the current period.

Reason for change in net cash flow from financing activities: Mainly caused by the increase in dividend distribution and the decrease in borrowings.

2 Others

(1) Detailed description of major changes in the Company's profit composition or source of profit

Applicable Not applicable

(2) Others

Applicable Not applicable

(II) Description of Major Changes in Profit by Non-main Business

Applicable Not applicable

(III) Analysis of Assets and Liabilities

Applicable Not applicable

1. Assets and liabilities

Unit: Yuan

Project Name	Closing Amount of the Current Period	Proportion of Closing Amount of the Current Period to Total Assets (%)	Closing Amount of the Same Period of Last Year	Proportion of Closing Amount of the Same Period of Last Year to Total Assets (%)	Change Proportion of Closing Amount of the Current Period Over the End of the Same Period of Last Year (%)	Description
Monetary funds	2,771,859,620.18	3.08	5,963,754,822.72	7.25	-53.52	Repayment of bank loans
Notes receivable	217,885,618.84	0.24	447,631,161.68	0.54	-51.32	Caused by recovery at maturity
Accounts receivable	608,091,519.30	0.68	464,739,673.71	0.57	30.85	Mainly caused by the fact that the payment for goods sold by the subsidiary

						has not yet been due
Advanced payment	666,453,160.88	0.74	325,569,645.98	0.40	104.70	Mainly caused by the increase in project advance payment
Other receivables	4,740,897,188.64	5.27	2,571,285,288.78	3.13	84.38	Mainly caused by change in intercourse funds
Other current assets	225,672,903.70	0.25	4,845,296.73	0.01	4,557.57	Mainly caused by the increase in debt investment projects due within one year after reclassification
Construction in process	3,635,582,551.38	4.04	22,129,603,679.34	26.91	-83.57	Mainly caused by the assets accounting after the reconstruction and expansion project of Jinan-Qingdao Expressway being open to traffic
Intangible assets	42,452,806,332.04	47.21	20,408,874,883.78	24.82	108.01	Mainly caused by the assets accounting after the reconstruction and expansion project of Jinan-Qingdao Expressway being open to traffic
Short-term borrowings	1,446,003,111.67	1.61	90,000,000.00	0.11	1,506.67	Increase in short-term bank loans

Notes payable	161,430,962.91	0.18	67,236,175.99	0.08	140.10	Mainly caused by the increase in note settlement
Accounts payable	2,939,254,508.27	3.27	1,591,751,086.25	1.94	84.66	Mainly caused by the increase in the account payable of the reconstruction and expansion project of Beijing-Taibei Expressway
Taxes payable	209,799,426.50	0.23	480,936,822.75	0.58	-56.38	Mainly caused by the reduction of the accrued income tax and value-added tax due to decrease in income
Other payables	7,392,813,442.43	8.22	4,550,389,169.23	5.53	62.47	Mainly caused by the increase in the equity transfer fund payable to the Group
Bonds payable			422,834,499.98	0.51	-100.00	Mainly caused by repayment of bonds payable at maturity
Estimated liabilities	75,092,626.46	0.08	2,209,425.29	0.00	3,298.74	Caused by the accrual of estimated liabilities due to litigation involving subsidiary Rail Transit Group

Other description
None.

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

√ Applicable Not applicable

Item	Year-end Book Value (Yuan)	Restriction reason
Monetary funds	23,243,780.84	Deposit
Intangible assets	30,772,330,972.28	Pledge borrowing

3. Other description Applicable Not applicable**(VI) Investment Analysis****1. Overall Analysis of External Equity Investment**√ Applicable Not applicable

In the first half of 2020, the Company adhered to the development philosophy of "putting people first, focusing on the main road and bridge business, 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", and considered its own reality to vigorously conduct investment in main business 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 drives capital operation while capital operation nurtures industrial management.

(1) Major equity investment√ Applicable Not applicable

Name	Main business	Shareholding Ratio	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,	51%	Shandong Hi-Speed Group Co., Ltd. holding 49%	The registration of industrial and commercial changes was completed on June 16, 2020.

	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)			
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, show windows, neon lamps and vehicle advertising.	80%	Shandong Hi-speed Sichuan Industrial Development Co., Ltd. holding 20%	The equity transfer agreement came into effect, the phase I equity transfer payment was paid, the project entered the co-management period, and the Company dispatched a working team to enter the Luyu Company for co-management.

(2) Major non-equity investment

√ Applicable □ Not applicable

First, the expenditure on key project is about 2.109 billion yuan. The major project investment is as follows:

Unit: Ten thousand yuan Currency: RMB

Item	Approval Budget Estimate	Actual Project Image Progress	Amount Input in the First Half of 2020	Accumulated Actual Input Amount	Note

Reconstruction and Expansion of Beijing-Taibei Expressway	1,190,433.35	49.8%	210,982.00	449,094.34	As of June 30, 2020, since the commencement, the reconstruction and expansion project of Dezhou-Qihe Section of Beijing-Taibei Expressway has completed 70.3% of subgrade works, 30.6% of pavement works, 43.9% of bridge and culvert works, 14.5% of traffic safety facility works, and 5% of building works, and the first traffic process transfer was completed on May 30.
Total	/	/	210,982.00	449,094.34	

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

Unit: Ten thousand yuan Currency: RMB

Project Name	Total Project Investment	Proposed Investment of the Company	Amount Input in 2020	Accumulated Input Amount	Balance of Input Amount of the Company	Description
Assembled Funds Trust Plan for CR Trust · BOE Project to Invest in the Preferred Shares Project of Mianyang Technology City Industry Investment Fund (Limited Partnership)	570,000.00	50,000.00	0	50,000.00	50,000.00	The investment income was 20.6131 million yuan in the first half of the year.
Jinan Changying Transportation Infrastructure Investment Fund Partnership	338,128.00	76,000.00	0	66,000.00	66,000.00	
Qingdao Changying Jinpeng Equity Investment Partnership (Limited Partnership)	130,100.00	130,000.00	0	129,430.00	129,430.00	
Jinan Changying Jincheng Equity Investment Partnership (Limited Partnership)	501,001.00	501,000.00	0	501,000.00	501,000.00	
Jinan Changying Jin'an Investment Partnership (Limited Partnership)	249,910.00	249,900.00	0	245,608.00	0	The project has been withdrawn in June 2020. 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.
Jinan Changying Jinhai Investment Partnership (Limited Partnership)	420,250.00	420,240.00	700.00	70,240.00	700.00	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.
Weifang Shandong Hi-Speed New Growth Driver Investment Partnership (Limited Partnership)	230,001.00	150,000.00	0	150,000.00	150,000.00	
Shandong Hi-Speed Chengtai Venture Capital Fund for New Growth Drivers of Shandong Province	50,000.00	20,000.00	0	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.
Jinan Jinming Investment Partnership (Limited Partnership)	60,010.00	60,000.00	0	56,958.91	56,958.91	
Shandong Hi-Speed Changying Huitong Equity Investment Fund Partnership (Limited Partnership)	49,000.00	24,738.00	0	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.
Shandong Hi-Speed Zhongtong New Growth Driver Industrial Investment Fund of Shandong Province (Limited Partnership)	500,000.00	34,500.00	0	0	0	Shandong Hi-Speed Civil-Military Integration Industrial Investment Fund for New Growth Driver of Shandong Province completed industrial and commercial registration on April 9, 2020, and was officially approved as "Shandong Hi-Speed Zhongtong New Growth Driver Industrial Investment Fund Partnership of Shandong Province (Limited Partnership)". As of the end of the reporting period, no actual capital contribution has been paid.

(3) Financial assets measured at fair value

√ Applicable □ Not applicable

Item	Ending Fair Value (Yuan)
Evergrande Real Estate Group Co., Ltd.	5,000,000,000.00
Yike Tower Investment Project	563,893,198.11
Specific Assets Support Plan for South Cement Company Limited	35,709,250.00
Specific Assets Support Program of BOCOM Schroders	38,563,162.01
Shandong Hi-speed Culture Media Co., Ltd.	17,614,686.36
CSCEC Shared No. 35 Fund Program	150,000,000.00
MCC CCB No.1 Privately Offered Fund Program	185,980,000.00
Shandong Railway Investment Holding Group Co., Ltd.	300,000,000.00
Shandong Hi-Speed New Material Technology Co., Ltd.	16,000,000.00
Shandong Weilai High Speed Railway Co., Ltd.	31,626,837.00

(V) Major Assets and Equity Sales

□ Applicable √ Not applicable

(VI) Analysis of Major Controlling and Shareholding Companies

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Name of Subsidiary	Nature of Business	Registered Capital	Business Scope	Total Assets	Net Assets	Net Profits
Shandong Hi-Speed Rail Transit Group Co., Ltd.	Railway Management	2,552,755,043	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	7,264,676,507.65	3,615,081,958.38	267,551,926.05

			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)			
Hubei Wujing Expressway Development Co., Ltd	Highway management	808,000,000	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.	6,903,466,047.05	1,494,575,447.47	-47,504,426.80
Shandong Hi-Speed Henan Xuyu Highway Co., Ltd.	Highway management	200,000,000	Investment in, operation, management and maintenance of expressway construction, and	992,702,177.25	450,373,222.59	-7,040,694.01

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			engineering machinery sales and rental.			
Shandong Lijin Huanghe Highway and Bridge Co., Ltd.	Highway management	70,000,000	Road and bridge management and operation	165,128,928.64	140,090,423.51	-1,136,817.57
Jiyuan City Jijin Expressway Co., Ltd.	Highway management	150,000,000	Investment in, operation, management and maintenance of expressway construction	1,379,025,341.30	167,766,710.38	-27,844,213.33
Shandong Hi-Speed Industrial Development Co., Ltd.	Property management	31,670,000	Canteens (for government organs, enterprises and institutions, Chinese food production and sale, excluding cold dishes, decorated cakes, and raw seafood, the validity period shall be subject to the license); the following business scope is limited to branches: retail of books, audio-visual products, prepackaged food, bulk food, cigarettes, and cigars, accommodation and catering services. Project bidding agency; traffic safety facilities engineering construction; landscape engineering; management and maintenance of ancillary facilities for highways, bridges, tunnels and ports; property management; advertising, publicity	98,565,033.66	56,783,356.21	2,989,647.54

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			and display; stone processing and sales; sales of metal materials, building materials, daily necessities, and auto parts; warehousing (excluding dangerous chemicals); vehicle cleaning and decorating; decoration; production and sales of traffic management equipment; house leasing; conference service; sales, design, installation and maintenance of air conditioning equipment; leasing of communication pipelines; sales of agricultural and sideline products; vehicle leasing. (Business requiring government approval according to law can only be carried out when such approval from relevant department is obtained)			
Shandong Hi-Speed Qilu Construction Transport Administration Service Co., Ltd.	Agency service	517,000,000	Ordinary freight, freight forwarding, information stowage (Validity shall be subject to the license). Comprehensive development of passenger and freight stations; information management, training, counseling and business service of the transportation industry, and auto (excluding sedan) and auto part sales; sales of building materials, domestic appliances, computers and consumables, office supplies and furnishings, auto repair and maintenance equipment and tools,	530,133,555.13	56,783,356.21	2,989,647.54

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			electromechanical equipment, teaching equipment and instruments, garments, shoes and hats, bags, daily necessities, fire-fighting equipment; building equipment rental; construction and decoration engineering construction and consulting service; house rental			
Shandong Hi-Speed Investment Development Co., Ltd.	Investment and development	4,000,000,000	Investment in real estate and securities industries; property management service; house rental; economic information consulting service; construction engineering supervision; building equipment rental; advertising design, production and release (except for media advertising); sales of building materials, flowers and plants, and seedlings; landscaping construction; scenic spot development	7,762,531,847.44	5,641,611,207.84	80,863,232.10
Shandong Hi-Speed Zhangqiu Property Development Co., Ltd.	Investment and development	100,000,000	Real estate investment, equity investment; real estate development and operation, hotel operation and management, property operation and management, information consulting, engineering tendering and bidding agency, engineering supervision, equipment rental, advertising business, etc.	1,155,626,354.53	905,388,913.37	26,366,637.82
Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.	Investment and development	510,000,000	Entrusted asset management; investment management (trust, financial asset management, securities	988,268,310.94	608,190,262.95	10,954,407.22

			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)^			
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(VII) 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 four 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.

III. Other disclosures**(I) Warning and description of future possibilities of the loss of net profits from beginning of the year to end of next reporting period, or of huge change of net profits against last same reporting period**

Applicable Not applicable

(II) Possible risks

Applicable Not applicable

1. Macroeconomic and policy risks

In the second half of 2020, China will encounter more complicated and severe economic development environment, and more and bigger foreseeable and unforeseeable risks and challenges. 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. Besides, COVID-19 has uncertain influences on expressway and other transportation industries.

Countermeasures: Solutions: on one hand, the Company will strengthen connection and communication with relevant government departments, especially transport, finance, taxation and price departments, for their policy support for expressways; pay close attention to relevant policies and information from governments, collect, analyze and comprehensively process external data, reinforce researches on relevant governmental principles and policies, and make corresponding operation decisions in a timely manner; on the other hand, the Company will accelerate transformation development, cultivate diversified profit growth points, and decrease dependence on charging service to avoid adverse influences from industry policies.

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. At the same time, the rapid passenger transportation network which gets gradually improved and is composed of expressways, passenger transport lines and other railways within the area, inevitably, cause divergence of the sections

operated by the Company to a degree.

Countermeasures: 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, centering on the work of "preparation for national inspection", 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, 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 dependence of drivers and conductors to sections operated by the Company.

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: The Company will highly value risk control and talent cultivation. On one hand, the Company will strengthen its internal control measures to external investment, and its Investment and Development Department shall conduct all-around surveys of, scientifically screen out and sufficiently demonstrate the industries and investment targets, and make prudent investment choices. The Company will make the best use of expert demonstration meetings, intermediaries and other external power to provide a basis for making investment decisions; on the other hand, the Company will establish and perfect an investment incentive and restraint mechanism, establish a talent pool, do the human resource and organizational security work well, and provide absolute support for its transformation development from the perspective of system and mechanism.

4. Construction management risks

In the second half of 2020, the reconstruction and expansion project of Beijing-Taibei Expressway will enter the centralized construction period and the Company will face 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 project, building material price fluctuation, engineering changes, new policies and technical specifications issued by the government, development plan adjustment by the government, and other unforeseeable factors.

Countermeasures: 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. To reduce construction risks, the Company will adopt the following measures in the reconstruction and expansion project of Beijing-Taibei Expressway: First, optimize the design and construction schemes to reduce removal and construction volume as much as possible; second, make centralized procurement of client-supplied key materials in order to reduce material costs; third, scientifically arrange the construction and reasonably shorten the construction period to reduce the management cost; fourth, optimize the change scheme and control change quantity to reduce change amounts; fifth, develop a strict quality management system and standardize quality control measures to determine the quality control cost; publicize construction standardization, carry out the First Engineering Recognition System, and guide the organizations participating in construction to transform from traditional extensive management manner to modern intensive one; sixth, strengthen the site control and accomplish 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.

(III) Other disclosures

Applicable Not applicable

Section V Material Matters**I. 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	2020.05.11	http://www.sse.com.cn/	2020.05.12
The second extraordinary general meeting of shareholders in 2019	2020.06.13	http://www.sse.com.cn/	2020.06.15
Annual general meeting of 2018	2020.06.23	http://www.sse.com.cn/	2020.06.24

Description of general meeting of shareholders

Applicable Not applicable

II. Profit Distribution or Capital Common Reserves Capitalizing Pre-plan**(I) Profit distribution and capital common reserves capitalizing pre-plans drawn up for half a year**

Distributed or converted	No
Description of profit distribution or capital common reserves capitalizing pre-plan	
None	

III. Performance of Commitments

(I) Commitments of interested parties including the Company's actual controller, shareholders, affiliates, purchasers and the Company made in the reporting period or continued to the reporting period

√ Applicable □ Not applicable

Commitment Background	Commitment Type	Commitment Party	Commitment Content	Commitment Date and Period	Is There Performance Deadline	Is the Commitment Performed Strictly
Commitments related to major 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 believes that such engagement would damage the rights and interests of listed companies, Shandong Hi-Speed Group will	2016.9.22	Yes	Yes

			<p>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, leasing, 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</p>			
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			legislative rights and interests of 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 affiliate 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	2010.11.15 Long-term effective	Yes	Yes

			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 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	2018.07.31	Yes	Yes

			amount of Wujing Expressway from 2018 to 2020 and the accumulated net profit amount of the three fiscal years as calculated in the Evaluation Report. 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 general meeting of shareholders.			
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IV. Appointment and Dismissal of Accounting Firm

Description of appointment and dismissal of accounting firm

Applicable Not applicable

Description of change of appointment of accounting firm during the audit period

Applicable Not applicable

The Company's description of "Modified Audit Report" issued by accounting firm

Applicable Not applicable

The Company's description of the "Modified Audit Report" issued by certified public accountant for the financial statements in the previous year's annual report

Applicable Not applicable

V. Matters Relating to Bankruptcy Reorganization

Applicable Not applicable

VI. Material Litigation and Arbitration

The Company was involved in 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 but Having No Follow-up Progress

Applicable Not applicable

(II) Litigation or Arbitration Having Not Been Disclosed in Interim Announcements or Having Follow-up Progress

√ Applicable □ Not applicable

Unit: Ten thousand yuan Currency: RMB

Within the reporting period:									
Prosecutor (Applicant)	Responding Party (Respondent)	Party Bearing Joint and Several Liabilities	Type of Litigation/Arbitration	Basic Situation of Litigation (Arbitration)	Amount of Litigation (Arbitration)	Whether Such Litigation (Arbitration) Has Formed Estimated 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 Investment Co., Ltd. (Shenzhen)	Shenzhen Fengchuang 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 litigation	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	68,035.68	No	The 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

				<p>with Shenzhen Kenxin Group Co., Ltd. and its ownership companies including Shenzhen Fengchuang Trade Co., Ltd., Shenzhen Litianjun Supply Chain Co., Ltd., and Shenzhen Zhongmanli Trade Co., Ltd.</p>					<p>opposition to execution made by persons not involved in the case to Shandong Province Higher People's Court was rejected; in early January 2020, the appeal for opposition to execution made by persons not involved in the case to Shandong Province Higher People's Court was officially accepted. Among them, the Litianjun case was heard in the first instance on May 28. In mid-June, the civil judgment of the first instance</p>
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									was received, ruling to dismiss the request of persons not involved in the case. On June 28, the appeal petition from persons not involved in the case was received. The case is currently being transferred to the Supreme People's Court through the court's internal transfer procedure.
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(III) Other Description

Applicable Not applicable

VII. Punishment and Rectification of Listed Company, Its Directors, Supervisors, Senior Management, Controlling Shareholders, Actual Controller and Acquirers

Applicable Not applicable

VIII. Description of Integrity of the Company, its Controlling Shareholders and Actual Controller during the Reporting 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.

IX. Details and Influence 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 Progress or Change in Follow-up Implementation**

Applicable Not applicable

Overview of Matters	Search Index
Release of Shandong Hi-speed Stock Option Incentive Plan (Draft)	See the Shandong Hi-speed Company Limited Stock Option Incentive Plan (Draft) 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 Shandong Hi-speed Company Limited Stock Option Incentive Plan (Revised Draft) 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 Announcement of Shandong Hi-speed Company Limited on the First Granting of Stock Options to Incentive Objects (announcement No.: L 2020-036) disclosed on the website of Shanghai Stock Exchange on June 30, 2020.

(II) Incentive Matters Having not Been Disclosed in Interim Announcements or Having Follow-up Progress

Equity incentive

Applicable Not applicable

Other description

Applicable Not applicable

Employee stock ownership plan

Applicable Not applicable

Other incentive measures

Applicable Not applicable

X. Material Affiliate Transactions**(I) Affiliate Transactions Related to Daily Operations****1. Matters disclosed in interim announcements without progress or change in follow-up implementation**

√ Applicable □ Not applicable

Overview of Matters	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 for Signing Supplemental Agreement on Asset Entrustment Management, and the meeting decided that the Company would sign Supplemental Agreement on Asset Entrustment Management with Shandong Hi-Speed Group and agree to extend the validity of the original Agreement on Asset Entrustment Management (Yantai-Haiyang Expressway, and Linyi-Zaozhuang Expressway) and Agreement on Asset Entrustment Management (Heze-Guanzhuang Expressway and other assets) till December 31, 2017; besides extending the contract validity, the Company would continue performing related contents in the original Agreement on Asset Entrustment Management (Yantai-Haiyang Expressway, and Linyi-Zaozhuang Expressway) and Agreement on Asset Entrustment Management (Heze-Guanzhuang Expressway and other assets). (2) The 20th meeting (interim) of the Fifth Board of Directors of the Company held on June 1, 2018, and the first extraordinary general meeting of shareholders on June 29, 2018 reviewed and approved the Pre-plan for Signing Agreement on Asset Entrustment Management (Tai'an-Qufu and Qufu-Zhangshanzi Sections of Beijing-Taibe Expressway, Qihe-Xiajin Section of Qingdao-Yinchuan Expressway, Connecting Line of Weifang-Rizhao Expressway), the Pre-plan for Signing Agreement on Asset Entrustment Management (Yantai-Haiyang Expressway), the Pre-plan for Signing Agreement on Asset Entrustment Management (Heze-Guanzhuang Expressway, North Line of Qingdao-Yinchuan Expressway Circling Jinan), and the Pre-plan for Signing Agreement on Asset Entrustment Management (Zaozhuang-Linyi Expressway), and it was agreed in the meeting 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 Agreement on Asset Entrustment Management (Tai'an-Qufu and Qufu-Zhangshanzi Sections of Beijing-Taibe Expressway, Qihe-Xiajin Section of Qingdao-Yinchuan Expressway, Connecting Line of Weifang-Rizhao Expressway) with Hi-Speed Group for managing the assets of Tai'an-Qufu and Qufu-Zhangshanzi Sections of Beijing-Taibe Expressway, Qihe-Xiajin Section of Qingdao-Yinchuan Expressway, Connecting Line of Weifang-Rizhao Expressway; Shandong Hi-Speed Road Operation and Management Co., Ltd., the wholly-owned subsidiary of the Company, signed the Agreement on Asset Entrustment Management (Yantai-Haiyang Expressway) with Hi-Speed Group for managing assets of Yantai-Haiyang Expressway; the Company signed the Agreement on Asset Entrustment Management (Heze-Guanzhuang Expressway, North Line of Qingdao-Yinchuan Expressway Circling Jinan) 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 Agreement on Asset Entrustment Management (Zaozhuang-Linyi Expressway) 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>See the Announcement on Daily Affiliate Transactions of Shandong Hi-Speed (announcement No.: L 2016-062) disclosed by the Company on the website of Shanghai Stock Exchange on December 10, 2016, and the Announcement on Daily Affiliate Transactions of Shandong Hi-Speed (announcement No.: L 2018-024) disclosed on the website of Shanghai Stock Exchange on June 2, 2018.</p>

2. Matters disclosed in interim announcements with progress or change in follow-up implementation

√ Applicable □ Not applicable

(1) 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. See the Announcement of Shandong Hi-Speed on Signing Operation Management Entrustment Agreement and Progress of Daily Affiliate Transactions (announcement No.: L2020-024) disclosed by the company on May 29, 2020. (临 2020-024)。

3. Matters not disclosed in interim announcements

√ Applicable □ Not applicable

Unit: Ten thousand yuan Currency: RMB

Affiliate Transaction Party	Affiliation Relationship	Type of Affiliate Transaction	Content of Affiliate Transaction	Affiliate Transaction Pricing Principle	Affiliate Transaction Price	Affiliate Transaction Amount
Shandong Hi-Speed Information Engineering Co., Ltd.	Controlling subsidiary of the parent company	Purchase goods	Equipment purchase contract for 2020 electromechanical engineering project of Shandong Hi-Speed	Public bidding	2434.48	2,434.48

Shandong Hi-Speed Information Engineering Co., Ltd.	Controlling subsidiary 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 subsidiary of the parent company	Purchase goods	Equipment purchase contract for 2020 electromechanical engineering project of Shandong Hi-Speed (Beijing-Shanghai)	Public bidding	426.12	426.12
Shandong Hi-Speed Engineering Detection Co., Ltd.	Controlling subsidiary 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 subsidiary of the parent company	Receive Labor service	Special inspection (third-party inspection, bridge construction monitoring) contract for the reconstruction and expansion project of Dezhou (Provincial Boundary of Shandong and Hebei)-Qihe Section of Beijing-Taibei Expressway	Public bidding	856.63	856.63

Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Construction and production safety contracts for 2020 annual routine maintenance project (Xiajin Operation Management Center) of Shandong Hi-Speed	Public bidding	2183.76	2,183.76
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Construction and safety contracts for 2020 annual routine maintenance project (Beijing-Taibei Expressway Jinan Operation Management Center) of Shandong Hi-Speed	Public bidding	1765.42	1,765.42
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Construction contract for 2020 annual routine maintenance project (Linyi Operation Management Center Section) of Shandong Hi-Speed	Public bidding	1099.13	1,099.13
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Construction and safety contracts for 2020 annual routine maintenance project (Weifang Operation Management Center) of Shandong Hi-Speed	Public bidding	1191.56	1,191.56

Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiary 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	1695.75	1,695.75
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Holding subsidiary of parent company	Receive Labor service	Construction and production safety contracts for 2020 annual routine maintenance project (Yantai Operation Management Center JT Yanhai Section) of Shandong Hi-Speed	Public bidding	1186.80	1,186.80
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiary 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 & Bridge Maintenance Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Construction and safety contracts for 2020 annual routine maintenance project (Qingdao Operation Management Center) of Shandong Hi-Speed	Public bidding	845.32	845.32

Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Construction contract agreement for 2020 annual routine maintenance project (Heze Operation Management Center GSFZ Heze-Guanzhuang Section) of Shandong Hi-Speed	Public bidding	985.79	985.79
Shandong Road and Bridge Group Co., Ltd.	Controlling subsidiary of the parent company	Purchase goods	Purchase contract for asphalt mixture and other products	Public bidding	1659.51	1,659.51
Shandong Road and Bridge Group Co., Ltd.	Controlling subsidiary of the parent company	Purchase goods	Purchase contract for asphalt mixture and other products	Public bidding	1438.13	1,438.13
Shandong Road and Bridge Group Co., Ltd.	Controlling subsidiary 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 contract	Public bidding	2234.68	2234.68
Shandong Road and Bridge Group Co., Ltd.	Controlling subsidiary 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	Public bidding	3990.87	3990.87

			Section			
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiary 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	1077.66	1077.66
Shandong Road and Bridge Group Co., Ltd.	Controlling subsidiary 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	2219.00	2219.00
Shandong Hi-Speed Information Engineering Co., Ltd.	Controlling subsidiary of the parent company	Purchase goods	Whole process monitoring system construction project (phase II)	Public bidding	1649.29	1649.29
Shandong Road and Bridge Group Co., Ltd.	Controlling subsidiary 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	Public bidding	5215.15	5,215.15

			(2020)			
Total				/	/	35,500.05
Details of large sales returns	None					
Description of affiliate 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) Affiliate Transactions in Asset Acquisition or Equity Acquisition or Sale

1. Matters disclosed in interim announcements without progress or change in follow-up implementation

Applicable Not applicable

2. Matters disclosed in interim announcements with progress or change in follow-up implementation

Applicable Not applicable

During the reporting period, the affiliate transactions occurred in the Company's asset acquisition or equity acquisition and sale have been disclosed in detail in "Section IV. Operation Discussion and Analysis → II. Major Operation Details during the Reporting Period → (IV) Investment Analysis → 1. Overall Analysis of External Equity Investment → (1) Major equity investment".

3. Matters not disclosed in interim announcements

Applicable Not applicable

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

Applicable Not applicable

In 2018, the Company acquired 60% equity of Hubei Wujing Expressway Development Co., Ltd held by the controlling shareholder Shandong Hi-Speed Group, and Shandong Hi-Speed Group has made a commitment on the profit forecast and compensation of Wujing Company from 2018 to 2020: If the actual accumulated net profit amount of Wujing Company from 2018 to 2020 failed 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 will compensate the Company for 60% of the difference in cash, except for force majeure or major changes to national toll road laws and policies. The compensation amount shall be 60% of the difference between the actual accumulated net profit amount of Wujing Expressway from 2018 to 2020 and the accumulated net profit amount of the three fiscal years as calculated in the Evaluation Report. Hi-Speed Group shall make payment within 30 days from the date when the 2020 financial statement of Shandong Hi-Speed is reviewed and approved by the general meeting of shareholders.

At present, it is during the period of performing the foregoing commitment. After being audited by ShineWing Certified Public Accountants (Special General Partnership), Wujing Company has realized

accumulated net profit of 649,522,579.43 yuan from 2018 to 2019, reaching 62.67% of the accumulated net profit of 960,554,869.89 yuan in the three fiscal years as promised by Shandong Hi-Speed Group. Affected by the epidemic, Wujing Company's net profit in the first half of 2020 was -47,504,426.80 yuan (unaudited).

(III) Major Affiliate Transactions Involving Joint External Investment

1. Matters disclosed in interim announcements without progress or change in follow-up implementation

Applicable Not applicable

2. Matters disclosed in interim announcements with progress or change in follow-up implementation

Applicable Not applicable

During the reporting period, the affiliate transactions occurred in the Company's asset acquisition or equity acquisition and sale have been disclosed in detail in "Section IV. Operation Discussion and Analysis → II. Major Operation Details during the Reporting Period → (IV) Investment Analysis → 1. Overall Analysis of External Equity Investment → (1) Major equity investment".

3. Matters not disclosed in interim announcements

Applicable Not applicable

(IV) Creditor's Rights and Debts Between the Company and Affiliate Parties

1. Matters disclosed in interim announcements without progress or change in follow-up implementation

Applicable Not applicable

2. Matters disclosed in interim announcements with progress or change in follow-up implementation

Applicable Not applicable

3. Matters not disclosed in interim announcements

Applicable Not applicable

(V) Other Major Affiliate Transactions

Applicable Not applicable

(VI) Others

Applicable Not applicable

XI. Material Contracts and Their Performance

1 Trusteeship, contracting and leasing

Applicable Not applicable

(1) Trusteeship

Applicable Not applicable

(2) Contracting

Applicable Not applicable

(3) Leasing

Applicable Not applicable

Description of leasing

During the reporting period, the trusteeship of the Company has been disclosed in the section of

"Affiliate Transactions Relating to Daily Operations"

2 Guarantee

√ Applicable □ Not applicable

Unit: Hundred Million Yuan Currency: RMB

External guarantees of the Company (excluding guarantees to subsidiaries)													
Guarantor	Relation Between Guarantor and Listed Company	Guaranteed Party	Guarantee Amount	Date of Guarantee (Date of Agreement)	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 It is Affiliate Guarantee or Not	Affiliation Relationship
Guarantee amount sum during the reporting period (excluding guarantee to subsidiaries)						0							
Guarantee amount balance at the end of the reporting period (A) (excluding guarantee to subsidiaries)						0							
Guarantee of the Company to its subsidiaries													
Guarantee amount sum to subsidiaries during the reporting period						0							
Guarantee amount balance at the end of the reporting period (B) (excluding guarantee to subsidiaries)						7.63							
External guarantees of the Company (excluding guarantees to subsidiaries)													
Guarantee sum (A+B)						7.63							
Proportion of guarantee sum in the net assets of the Company (%)						2.45							
Including:													
Guarantee amount for shareholders, actual controller and affiliates (C)						0							
Debt liabilities for guaranteed parties whose direct or indirect asset-liability ratio is over 70% (D)						2.9							
Total guarantee amount exceeding 50% of the net assets (E)						0							
Guarantee sum of the foregoing three items (C+D+E)						2.9							
Description of possible joint and several liability for unexpired guarantee						None							
Description of guarantee	(1) The 18th meeting of the Fifth Board of Directors of the Company held on March 30, 2018, and its general meeting of shareholders of 2017 held on April 20, 2018 reviewed and approved the Pre-plan 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 income 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. See the Announcement of Shandong Hi-Speed on Making up the Difference for the Shares of the Proposed Limited Partnership (announcement No.: L 2018-012) disclosed on March 31, 2018. As of June 30, 2020, the Company has not provided guarantee for it.

(2) On August 14, 2018, the 24th meeting (interim) of the Fifth Board of Directors of the Company reviewed and approved the Proposal for Providing Loan Guarantee to Shandong Hi-Speed Henan Development Co., Ltd., and agreed to provide guarantee for the application of Henan Company for 523 million of M&A loan from Shangdu Road Branch of Industrial and Commercial Bank of China in Zhengzhou for acquiring 90% of equity of Jiyuan City Jijin Expressway Co., Ltd. in the manner of joint and several liability guarantee for a two-year guarantee period from the next day following the date when the liability performance period as agreed in the master obligation contract expires. See the Announcement of Shandong Hi-Speed on Providing Loan Guarantee to Its Wholly-owned Subsidiary Shandong Hi-Speed Henan Development Co., Ltd (announcement No.: L 2018-042) disclosed on August 15, 2018. The Company has signed the Guarantee Contract on August 24, 2018. As of June 30, 2020, Henan Company has repaid part of the loan, and the actual guarantee balance now is 473 million yuan.

(3) On December 5, 2018, the 28th meeting (interim) of the Fifth Board of Directors of the Company reviewed and approved the Pre-plan for Providing Existing Loan Guarantee to Jiyuan City Jijin Expressway Co., Ltd. by Shandong Hi-Speed Henan Development Co., Ltd., and agreed its wholly-owned subsidiary Henan Company to provide guarantee for Jijin Company controlled by Henan Company in terms of the existing loan of 320 million yuan from the Business Division of Jiyuan Branch of Industrial and Commercial Bank of China in the manner of joint and several liability guarantee for a two-year guarantee period from the next day following the date of expiration of loan period under the Contract of Fixed Assets to Support the Financing signed on June 30, 2015 by Jijin Company. The matter has been reviewed and approved at the fourth extraordinary general meeting of shareholders of 2018 held on December 21, 2018. See the Announcement of Shandong Hi-Speed on Agreeing Its Wholly-owned Subsidiary to Provide Existing Loan Guarantee to Its Holding Subsidiary (announcement No.: L2018-063) disclosed on December 6, 2018. Henan Company has signed the Guarantee Contract on March 15, 2019. As of June 30, 2020, Jijin Company has repaid part of the loan, and the guarantee balance now is 290 million yuan.

(4) The 2nd meeting (interim) of the Sixth Board of Directors of the Company on May 27, 2020 and the second extraordinary general meeting of shareholders on June 13, 2020 reviewed and approved the Proposal for Acquiring 51% Equity of Shandong Hi-Speed Rail Transit Group Co., Ltd. The acquisition was completed on June 30, 2020, and the financial statements of Rail Transit Group were consolidated. Before the acquisition, Rail Transit Group has provided a guarantee for its holding subsidiary (shareholding of 16%) Shandong Hi-Speed New Material Technology Co., Ltd. The guarantee amount is 142.5 million yuan, and the guarantee period is from July 31, 2018 to July 30, 2023. The Company and the transferor Shandong Hi-Speed Group Co., Ltd. agreed in the equity transfer agreement that the transferor shall be responsible for releasing the above-mentioned guaranteed debts of Rail Transit Group within one month from the effective date of the agreement, and the release of the guarantee shall be the payment condition of the third equity transfer fund. As of July 2020, Shandong Hi-Speed New Material Technology Co., Ltd. has paid off all the loans and the relevant guarantee has been released.

(5) On December 13, 2019, the 43rd meeting (interim) of the Fifth Board of Directors of the Company reviewed and approved the Proposal for Acquiring 80% Equity of Luzhou Southeast Expressway Development Co., Ltd., and it was agreed in the meeting that the Company, together with Sichuan Company, the wholly-owned subsidiary of Hi-Speed Group, to acquire 100% equity of Luzhou Company at the total acquisition price of 1.84 billion yuan: the Company acquires 80% equity at the acquisition price of 1.472 billion yuan, and Sichuan Company acquires the remaining 20% at the acquisition price of 368 million yuan. It also agreed that after the equity change, the Company and Sichuan Company will provide joint and several liability guarantee for the existing loan of 3.632 billion yuan for Luyu Company according to the equity ratio. See the Announcement of Shandong Hi-Speed on the Acquisition of 80% Equity of Luzhou Southeast Expressway Development Co., Ltd. and Affiliate Transactions (announcement No.: L 2019-056)

<p>and the Announcement of Shandong Hi-Speed on Providing Guarantee for Existing Loans of Luzhou Southeast Expressway Development Co., Ltd. (announcement No.: L 2019-057). As of June 30, 2020, the project has not yet completed the equity transfer, and the Company has not yet provided a guarantee for it.</p> <p>To sum up, as of June 30, 2020, the Company and its holding subsidiaries have approved external guarantees with an accumulated amount of 11.225 billion yuan, where the Company and its subsidiaries have approved guarantees with an accumulated amount of 4,475 million yuan to its subsidiaries, respectively accounting for 34.95% and 13.93% of the latest audited net asset value of the Company. During the reporting period, the actual amount of external guarantees of the Company was zero yuan (excluding those to subsidiaries), and the actual amount of guarantees to subsidiaries was zero yuan.</p>
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3 Other major contracts

Applicable Not applicable

XII. Poverty Alleviation Work of Listed Company

Applicable Not applicable

1. Targeted poverty alleviation plans

Applicable Not applicable

In accordance with the unified deployment of the CPC Central Committee, CPC Shandong Provincial Committee and People's Government of Shandong Province, the Company sent "major secretaries" to carry out poverty alleviation in Dali Village, Yidukou Town, Lingcheng District, Dezhou, and Zhangzhuang Administrative Village, Wudian Town, Mudan District, Heze respectively. 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 the villagers, and combined with the planning of the higher-level government, they studied and formulated plans for rural construction, improved irrigation water conditions for agricultural production, and created modern and beautiful villages to lay 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, they insisted on caring for poor families and senior Party members, carried out visits and consolation activities, and strengthened humanistic care, to constantly enhance the cohesion, work effectiveness and central force of community-level Party organizations.

2. Outline of targeted poverty alleviation within the report period

Applicable Not applicable

In the first half year of 2020, the Company dispatched the "First Secretary" into villages for the following tasks: First, they exerted the leadership and safeguard functions of Party construction, organize Party members in the villages to deeply learn Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and spirit of the 19th Communist Party of China National Congress in forms of General Assembly meeting, branch committee meeting, party group meeting and Party lectures, as well as thematic Party day, etc., and constantly improve the Party cadres' political and comprehensive quality. Second, they took targeted and differentiated measures to fight against poverty. The "First Secretary" of Dali Village implemented the poverty elimination project by renovating and upgrading farm irrigation to help the village improve the farm irrigation conditions. Third, they gave the great impetus to the construction of beautiful countrysides. Combined with the actual situation of the village, the "First Secretary" in Zhangzhuang Village took the initiative to apply for assistance funds to transform the village cultural center, upgrade the village party building facilities, conduct wall painting and wall colored

drawing in the village, and promote the DTH project, which effectively improved the living environment of the villagers and enriched the cultural life of the masses. Fourth, they seriously carried out epidemic prevention and control. During the epidemic period, epidemic prevention materials were in short supply. The company's "First Secretary" in the village actively contacted the manufacturers to purchase the disinfection stock solution and distributed to the villagers, especially the poor villagers, scientifically guided the disinfection of their own courtyards and houses, improved the village-level disinfection and sterilization ability to ensure a good job in epidemic prevention and control. Fifth, they insisted on visiting activities on major holidays. On Spring Festival and July 1 Party's Day, they visited impoverished households and brought articles of daily use to them, made the people in difficulties feel care and warmth from the bottom of heart.

3. Targeted poverty alleviation achievements

√ Applicable □ Not applicable

Unit: Ten thousand yuan Currency: RMB

Indicator	Quantity and Progress
I. Overall Situation	
Including: 1. Capital	70
2. Funds converted from materials	0.4680
3. Assistance in establishing archives for the impoverished population for getting rid of poverty (Persons)	23
II. Sub-project Investment	
1. Poverty elimination by fostering industries	
2. Poverty elimination by transferring labor force	
3. Poverty elimination by relocating the poor	
4. Poverty elimination by strengthening education	
5. Poverty alleviation by safeguarding healthcare	
6. Poverty relief through ecological protection	
7. Catch-all security	
8. Society for poverty alleviation	
9. Other projects	
Including: 9.1. Project quantity (projects)	3
9.2. Investment amount	70.4680
9.3. Assistance in establishing archives for the impoverished population for getting rid of poverty (Persons)	23
9.4. Explanations of other projects	1. Farm irrigation renovation and upgrading project 2. Beautiful village construction 3. Visiting
III. Award (Content and level)	

4. The staged progress in fulfilling the social responsibility of precision poverty alleviation

√ Applicable □ Not applicable

In the first half of the year, the Company dispatched the "First Secretary" to make scientific plans and make precise efforts to ensure that the assistance funds are used in the cutting edge. In addition to the investment of 200,000 yuan in 2019 to help the village implement the farmland irrigation renovation and upgrading project, in 2020, combined with the situation of epidemic prevention and control and resumption of production, the "First Secretary" in Dali Village provided special assistance for epidemic prevention and control materials, and invested another 200,000 yuan in farmland irrigation of the village,

which greatly improved the irrigation conditions of the village and solved the practical problems of villagers' difficulty in using water and irrigating land. The "First Secretary" in Zhangzhuang Village applied for 490,000 yuan for the beautiful village construction in Zhangzhuang Village from 2020 to 2021. By the end of July, the established village appearance improvement plan in 2020 had been completed.

5. Subsequent targeted poverty alleviation plans

Applicable Not applicable

The year 2020 is the final year of building a moderately prosperous society in all respects and implementing the 13th Five-Year Plan, and it is a year of the completion of poverty alleviation. The Party committee of the Company will insist on the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and coordinate epidemic prevention and control with targeted poverty alleviation in accordance with the deployment requirements of the CPC Central Committee, Provincial Committee of the CPC and superior Party committees, and clinch a complete victory in the fight against poverty. First, further promote the deep integration between Party construction and poverty alleviation. The Company will stick to the philosophy of "guidance of Party construction", continuously propel the work pattern of "Party construction + targeted poverty alleviation", and provide strong organization guarantee for securing the victory in poverty alleviation. Second, further promote the deep integration between policy guidance and poverty alleviation. The Company will organize Party members and cadres on a regular basis to go over spirit of important speeches on poverty alleviation addressed by General Secretary Xi Jinping, strengthen learning targeted poverty alleviation policies at the provincial, municipal and district levels, and further improve their political quality; strengthen communication with superior anti-poverty departments, master the updated poverty alleviation policies in a timely manner. Third, further promote the deep integration between infrastructure renovation and upgrading and poverty alleviation. The Company will constantly promote the construction of beautiful countrysides, better the livable environment in countrysides, strictly implement the requirements of "two don't worries and three guarantees", further improve the rural and agricultural production conditions, and continuously enhance the happiness of farmers. Fourth, further promote the deep integration of normalized epidemic prevention and control and poverty alleviation, and carry out normalized epidemic prevention and control according to the actual situation. Fifth, further promote the deep integration of caring and poverty alleviation for old Party members and people in difficulty. At the same time, carry out the activities of send warm in cold winter, and earnestly bring the warmth of the Party to the hearts of villagers.

XIII. Convertible corporate bonds

Applicable Not applicable

XIV. Environmental Information

(I). Explanations of environmental protection of companies which are key pollutant discharging units announced by environmental protection administration and their important subsidiaries

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 Hi-speed Environmental Technology	Hanting District Sewage Treatment	Chemical oxygen demand (COD)	Organized and continuous	Main water outlet	Class 1 Standard A≤50 mg/L in Table 1, Discharge	None

Co., Ltd.	Plant				Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	
		Biochemical oxygen demand (BOD ₅)	Organized and continuous	Main water outlet	Class 1 Standard A≤10 mg/L in Table 1, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	None
		Suspended solids (SS)	Organized and continuous	Main water outlet	Class 1 Standard A≤10 mg/L in Table 1, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	None
		Ammonia nitrogen (NH ₃ -N) (N)	Organized and continuous	Main water outlet	Class 1 Standard A≤5 mg/L in Table 1, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	None
		Total nitrogen (N)	Organized and continuous	Main water outlet	Class 1 Standard A≤15mg/L in Table 1, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	None

	Total phosphorus (P)	Organized and continuous	Main water outlet	Class 1 Standard A \leq 0.5 mg/L in Table 1, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	None
	Animal and vegetable oil	Organized and continuous	Main water outlet	Class 1 Standard A \leq 1 mg/L in Table 1, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	None
	Oils	Organized and continuous	Main water outlet	Class 1 Standard A \leq 1 mg/L in Table 1, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	None
	PH Value	Organized and continuous	Main water outlet	Class 1 Standard A 6-9 in Table 1, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	Normal
	Number of fecal coliforms (number/L)	Organized and continuous	Main water outlet	Class 1 Standard A 103 in Table 1, Discharge Standard of Pollutants for Municipal	None

					Wastewater Treatment Plant (GB18918-2002)	
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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 the first half of 2020, the cumulative discharge of chemical oxygen demand (COD) was 61.5 tons, and the reduction rate was 97.69%; the cumulative emission of ammonia nitrogen (NH₃-N) was 2.2 tons, and the reduction rate was 98.63%; the total phosphorus was 0.233 tons, and total nitrogen was 33.5 tons, all of which met the standard requirements.

b. Wastewater discharge

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 1.0 mg/m ³ in Table 4, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	None
		Sulfuretted hydrogen (H ₂ S)	Organized	Class 1 Standard 0.03 mg/m ³ in Table 4, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	None
		Odor concentration (Dimensionless)	Organized	Class 1 Standard 10 mg/m ³ in Table 4, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	None
		Methane (The maximum volume concentration in plant area %)	Organized	Class 1 Standard 0.5 mg/m ³ in Table 4, Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)	None

c. Sludge discharge

To ensure that the sludges produced by Shandong Hi-Speed Environmental Protection Science and Technology Co., Ltd. can be treated and disposed "in a safe, steady and up-to-standard manner" according to the principles of "stabilization, detoxification, reduction, resourcezation and marketization" and "green, recycling and low-carbon" requirements, in accordance with relevant laws and regulations and relevant provisions of Service Agreement on Sludge Treatment in Sludge Harmless Disposal Projects for Sewage Plants in Weifang, the Company has signed third-party agreements with Weifang Lianhe Environmental Protection Technology Co., Ltd. and City Administration Bureau of Hanting District of Weifang, and entrusted Weifang Lianhe Environmental Protection Technology Co., Ltd. to provide high-quality, sustainable, efficient and safe sludge treatment and disposal service, and City Administration Bureau of Hanting District of Weifang is responsible for conducting corresponding supervision administration.

In the first half of 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 Science and Technology Co., Ltd. mainly treated municipal sewage in Hanting District, and the current design treatment scale is 25000 m³/d, and the actual daily treatment scale is 23000 m³/d in the first half of 2020, covering a total area of 29.43 mu (1 mu ≈ 666.67m²). Sewage treatment process: Urban sewage pipe network → inlet well → coarse screen → sewage pump plant → fine screen → vortex-type grit chamber → distribution well → AAO pool → secondary sedimentation tank → high-density sedimentation tank → cloth filter → UV disinfection tank → Zhuo River, the effluent quality is executed Class I Standard A 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

For purpose of projects under construction and those completed ones, Shandong Hi-Speed Environmental Protection Science and Technology Co., Ltd. has implemented the system of "the facilities for environmental protection must be designed, constructed and put to use or into operation simultaneously with the main part of a construction project" in accordance with requirements of relevant national laws and regulations, and all of its projects have been under environmental influence assessment as required and approved by environmental protection agencies. Meanwhile, the Company has successfully applied for franchise license and pollutant discharge license according to regulations.

Franchising No.: WZJSP [2019] Sewage No. 3001, valid from September 8, 2019 to September 7, 2022. Pollutant Discharge License 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

The sewage outfall of Shandong Hi-speed Environmental Protection Technology Co., Ltd. is installed with online monitoring and other self-monitoring systems to monitor the wastewater discharge in real time; the qualified environmental testing institutions are entrusted to carry out monthly routine testing of the water quality at both inlet and outlet of the plant; the qualified environmental testing institutions are entrusted to carry out quarterly testing of the wastewater and waste gas in the plant; the annual self-monitoring scheme is formulated and reported to the superior Environmental Protection Bureau for record. Regularly fill in the self inspection information input system, self monitoring scheme and annual report of key state monitoring enterprises.

6. Other environmental information that shall be disclosed

Applicable Not applicable

(II) Environmental protection situation of companies other than key pollutant discharge units.

Applicable Not applicable

Except for Shandong Hi-speed Environmental Protection Technology Co., Ltd., the Company and its other subsidiaries do not belong to key pollutant discharge units as published by the environmental protection department. In order to better protect the environment and cope with climate changes, this company and its subsidiaries have taken the measures as follows: First, take environmental protection measures such as dust prevention, noise reduction and waste recycle during the expressway maintenance and for new construction and reconstruction projects; second, serve green travel and provide charging piles in the service area; third, implement and complete the requirement of the State Council to cancel the provincial toll station of expressway, to promote and popularize the ETC payment method, and to improve the crossing traffic efficiency and reduce the exhaust.

(III) Reasons for non-disclosure of environmental information of companies other than key pollutant discharge units.

Applicable Not applicable

(IV) Description of follow-up progress or changes of environmental information disclosed within the reporting period.

Applicable Not applicable

XV. Explanations of Other Significant Events

(I) Compared with the previous accounting period, the changes in accounting policies, accounting estimates and accounting methods, the reasons and their impacts

Applicable Not applicable

During the reporting period, the Company changed its accounting policies according to the requirements of the new income standards. See "Note V, 44" of this report for details.

(II) The situation, the amount of correction, the reason and the impact of the correction of major accounting errors during the reporting period

Applicable Not applicable

(III) Others

Applicable Not applicable

Section VI Changes in ordinary shares and shareholders

I. Changes in share capital

(I) Statement of share changes

1. Statement of share changes

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

2. Description of share changes

Applicable Not applicable

3. The impact of share changes on financial indicators such as earnings per share and net assets per share from the reporting period to the disclosure date of the semi-annual report (if any)

Applicable Not applicable

4. Other contents deemed necessary by the Company or required to be disclosed by the securities regulatory authority.

Applicable Not applicable

(II) Changes in restricted shares.

Applicable Not applicable

II. Shareholders information

(I) Total number of shareholders:

Total number of ordinary shareholders by the end of the reporting period	46,652
Total number of preferred shareholders whose voting rights have been restored as of the end of the reporting period (household)	0

(II) Table of shareholding for top ten shareholders and top ten holders of marketable shares (or shareholders with unlimited sales condition) by the end of reporting period.

Unit: Shares

Information of shares held by top ten shareholders							
Name of shareholder (full name)	Increase and decrease in the reporting period	Number of shares held at the end of the period	Proportion(%)	Number of shares held with trading limited conditions	Pledge or freezing status		Property of shareholders
					Status of shares	Qty.	
Shandong Hi-Speed Group Co., Ltd.	0	2,870,656,188	59.67	0	Pledge	977,000,000	State-owned legal person
China Merchants Expressway Network & Technology Holdings Co.,	12,870,034	783,613,507	16.29	0	None		Others

Ltd.							
Shandong Hi-speed Group-CICC 17 shangao EB guarantee and trust property special account	0	540,970,671	11.24	0	None		Others
National Social Security Fund 108 Portfolio	42,688,201	42,688,201	0.89	0	None		Others
Bosera Fund Management Co., Ltd.- Social Security Fund 16011 Portfolio	33,500,050	33,500,050	0.7	0	None		Others
Hong Kong Securities Clearing Company Ltd.	-12,659,507	22,518,195	0.47	0	None		Others
Bank of China Limited-Guangfa Premium Enterprise Selected Flexible Configuration Hybrid Securities Investment Fund	16,000,000	16,000,000	0.33	0	None		Others
China Construction Bank-Penghua Value Advantage Hybrid Securities Investment Fund (LOF)	15,665,555	15,665,555	0.33	0	None		Others
China Merchants Bank Co., Ltd.-Shanghai Stock Exchange Dividend Trading Open	5,713,700	15,319,300	0.32	0	None		Others

Index Securities Investment Fund							
China Construction Bank-Bosera Theme Industrial Hybrid Securities Investment Fund (LOF)	14,000,025	14,000,025	0.29	0	None		Others
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	Qty.				
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-CICC 17 shangao EB guarantee and trust property special account	540,970,671	Common stock (CNY)	540,970,671				
National Social Security Fund 108 Portfolio	42,688,201	Common stock (CNY)	42,688,201				
Bosera Fund Management Co., Ltd.- Social Security Fund 16011 Portfolio	33,500,050	Common stock (CNY)	33,500,050				
Hong Kong Securities Clearing Company Ltd.	22,518,195	Common stock (CNY)	22,518,195				
Bank of China Limited-Guangfa	16,000,000	Common stock (CNY)	16,000,000				

Premium Enterprise Selected Flexible Configuration Hybrid Securities Investment Fund			
China Construction Bank-Penghua Value Advantage Hybrid Securities Investment Fund (LOF)	15,665,555	Common stock (CNY)	15,665,555
China Merchants Bank Co., Ltd. - Shanghai Stock Exchange Dividend Trading Open Index Securities Investment Fund	15,319,300	Common stock (CNY)	15,319,300
China Construction Bank-Bosera Theme Industrial Hybrid Securities Investment Fund (LOF)	14,000,025	Common stock (CNY)	14,000,025
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	None		

shares held	
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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 into the share exchange period on April 26, 2018, and the share exchange period is from April 26, 2018 to 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 become the top 10 shareholders due to the issuance of new shares

Applicable Not applicable

III. Changes of controlling shareholders and actual controllers

Applicable Not applicable

Section VII Related situation of preferred shares

Applicable Not applicable

Section VIII Changes of directors, supervisors, senior managers and employees

I. Shareholding changes

(I) Shareholding changes of current and outgoing directors, supervisors and senior management during the reporting period

Applicable Not applicable

Other situations

Applicable Not applicable

(II) Equity incentive granted to directors, supervisor and senior managers during the reporting period.

Applicable Not applicable

Unit: 10,000 shares

Name	Title	Number of stock options held at the beginning of the period	Number of newly granted stock options during the reporting period	Exercisable shares during the reporting period	Stock option exercise shares during the reporting period	Number of stock options held at the end of the period
Sai Zhiyi	Director	0	74	0	0	0
Lyu Sizhong	Director	0	74	0	0	0
Zhang Xiaobing	Director	0	59	0	0	0
Sui Rongchang	Director	0	59	0	0	0
Zhang Jun	Senior manager	0	59	0	0	0

Kang Jian	Senior manager	0	59	0	0	0
Chang Zhihong	Senior manager	0	59	0	0	0
Hou Fujin	Senior manager	0	59	0	0	0
Sun Jiarong	Senior manager	0	59	0	0	0
Zhou Liang	Senior manager	0	59	0	0	0
Total	/	0	620	0	0	0

Applicable Not applicable

II. Variation of directors, supervisors and senior management.

Applicable Not applicable

Name	Title	Variation condition
Li Hang	Director	Resign
Yin Jijun	Director	Resign
Wei Shirong	Independent Director	Resign
Wang Feng	Independent Director	Resign
Luo Chuliang	Supervisor, Chairman of the Board of Supervisors	Resign
Sun Xu	Supervisor	Resign
Zhang Yiren	Employee Supervisor	Resign
Wang Xiaolei	Employee Supervisor	Resign
Sun Jiarong	Deputy General Manager	Resign
Zhang Xiaobing	Deputy General Manager	Resign
Liang Zhanhai	Director	Election
Zhang Xiaobing	Director	Election
Sui Rongchang	Director	Election
Fan Yuejin	Independent Director	Election
Wang Hui	Independent Director	Election
Chen Fang	Employee Supervisor	Election
Zhu Yuqiang	Employee Supervisor	Election
Liu Jingwei	Supervisor	Election
Yin Jijun	Supervisor	Election
Hou Fujin	Deputy General Manager	Employment

Variation of directors, supervisors and senior management.

Applicable Not applicable

(1) On May 11, 2020, the term of the fifth Board of Directors of the Company expired. According to the relevant provisions of the Articles of Association, Mr. Li Hang and Mr. Yi Jijun ceased to serve as directors of the Company, and Mr. Wei Shirong and Ms. Wang Feng ceased to serve as independent directors.

(2) On May 11, 2020, the term of the fifth Board of Supervisors expired. According to the relevant provisions of the Articles of Association, Mr. Luo Chuliang ceased to serve as supervisor and chairman of the Board of Supervisors, Mr. Sun Xu ceased to serve as supervisor, and Mr. Zhang Yiren and Ms. Wang Xiaolei ceased to serve as employee supervisors.

(3) On April 1, 2020, Mr. Liu Jiarong resigned as the deputy general manager of the Company due to work needs.

(4) On April 2, 2020, Ms. Zhang Xiaobing resigned as the deputy general manager of the Company due to work needs.

(5) On May 11, 2020, the Company convened the first Extraordinary General Meeting of Shareholders in 2020, and deliberated and approved the Proposal on Election of Non-Independent Directors, Proposal on Election of Independent Directors and Proposal on Election of Supervisors by cumulative voting, and elected directors of the sixth Board of Directors and supervisors of the sixth Board of Supervisors, among which Ms. Chen Fang and Mr. Zhu Yuqiang were elected as employee supervisors by the Company's Workers Congress.

On May 11, 2020, the Company held the first meeting of the sixth Board of Directors (provisional), and deliberated and approved the Proposal on Election of the Chairman and Vice Chairman of the Sixth Board of Directors, the Proposal on Appointing the General Manager of the Company, and the Proposal on Appointing the Secretary of the Board of Directors of the Company.

III. Other instructions

Applicable Not applicable

Section IX Relevant situation of corporate bonds

Applicable Not applicable

Section X Financial Statement

I. Audit Report

Applicable Not applicable

II. Financial Statements

Consolidated Balance Sheet

June 30, 2020

Prepared by: Shandong High-speed Co., Ltd

Unit: Yuan Currency: RMB

Item	Note(s)	June 30, 2020	December 31, 2019
Current assets:			
Monetary funds	VII. 1	2,771,859,620.18	2,346,061,931.79
Deposit reservation for balance			
Funds lent			
Trading financial assets			
Derivative financial assets			
Notes receivable	VII. 4	217,885,618.84	249,635,288.97
Accounts receivable	VII. 5	608,091,519.30	215,489,980.54
Receivables financing			
Advanced payment	VII. 7	666,453,160.88	184,427,025.50
Premiums receivable			
Reinsurance accounts receivable			
Reserves for reinsurance contract receivable			
Other receivables	VII. 8	4,740,897,188.64	4,853,510,595.55
Including: Interest receivable			
Dividends receivable		75,037,985.75	524,516,294.16
Redemptory monetary capital for sale			
Stock	VII. 9	1,780,334,161.25	1,914,915,420.95
Contract assets			
Held-for-sale assets			
Non-current assets due within one year	VII. 12	235,940,300.00	88,000,000.00
Other current assets	VII. 13	225,672,903.70	1,177,850,329.49
Total Current Assets		11,247,134,472.79	11,029,890,572.79
Non-current assets:			
Disbursement of loans and advances			
Debt investment	VII. 14	2,033,000,000.00	2,288,507,600.00
Other investment on bonds			
Long-term receivables			
Long term equity investment	VII. 17	11,293,902,634.73	10,876,650,896.87
Other equity instrument	VII. 18	365,241,523.36	354,424,450.19

investment			
Other non-current financial assets	VII. 19	5,974,145,610.12	5,667,934,389.21
Investment real estate	VII. 20	715,723,475.18	730,111,033.13
Fixed assets	VII. 21	8,908,815,037.06	9,623,823,618.56
Construction in process	VII. 22	3,635,582,551.38	2,321,215,695.29
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	VII. 26	42,452,806,332.04	42,315,889,047.53
Development expenditure			
Goodwill			
Long-term deferred expenses	VII. 29	7,444,416.64	8,123,554.12
Deferred income tax assets	VII. 30	641,934,194.13	620,220,396.89
Other non-current assets	VII. 31	2,654,047,337.85	2,133,153,751.99
Total non-current assets		78,682,643,112.49	76,940,054,433.78
Total assets		89,929,777,585.28	87,969,945,006.57
Current liabilities			
Short-term borrowings	VII. 32	1,446,003,111.67	572,762,465.75
Borrowing from the central bank			
Loans from other banks and other financial institutions			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	VII. 35	161,430,962.91	33,211,430.37
Accounts payable	VII. 36	2,939,254,508.27	4,993,276,757.09
Advance receipt	VII. 37	202,159,235.46	263,755,294.16
Contract liabilities			
Financial assets sold for repurchase			
Receipt of deposits and deposits from other banks			
Funds received as agent of stock exchange			
Acting underwriting securities			
Employee pay payable	VII. 39	43,112,750.09	88,365,563.43
Taxes payable	VII. 40	209,799,426.50	764,372,788.90
Other payables	VII. 41	7,392,813,442.43	2,673,717,040.41
Including: Interests payable			
Dividends payable		1,858,445,236.28	24,999,731.51
Handling charges and commissions payable			
Cession insurance premiums payable			
Liabilities held for sale			
Other non-current liabilities due within one year	VII. 43	3,584,120,776.84	2,827,827,851.34
Other current liabilities	VII. 44	4,019,210,972.37	2,514,549,315.05

Total current liabilities		19,997,905,186.54	14,731,838,506.50
Non-current liabilities			
Reserve funds for insurance contracts			
Long-term Loans	VII. 45	33,666,344,495.15	33,142,106,943.46
Bonds payable			
Including: PrePreferred sharesferred shares			
Perpetual debt			
Lease liabilities			
Long-term payable	VII. 48	294,000,000.00	294,000,000.00
Long-term payroll payable	VII. 49	258,449,029.84	242,396,564.49
Estimated liabilities	VII. 50	75,092,626.46	75,404,513.49
Deferred Income	VII. 51	1,495,453,611.98	1,178,770,166.60
Deferred income tax liabilities	VII. 30	894,337,585.59	902,747,303.09
Other non-current liabilities			
Total non-current liabilities		36,683,677,349.02	35,835,425,491.13
Total liabilities		56,681,582,535.56	50,567,263,997.63
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	2,000,000,000.00	2,000,000,000.00
Including: PrePreferred sharesferred shares			
Perpetual debt		2,000,000,000.00	2,000,000,000.00
Capital reserves	VII. 55	2,400,322,438.81	4,836,763,252.70
Minus: Treasury stock			
Other comprehensive income	VII. 57	47,819,821.20	9,953,082.58
Appropriate reserve	VII. 58	89,528,668.18	82,671,061.69
Surplus reserves	VII. 59	3,164,742,776.43	3,164,742,776.43
General risk reserves			
Adjustment of the undistributed profits	VII. 60	16,463,826,127.61	18,381,877,261.99
Total owner's equities (or shareholders' equity) attributable to parent company		28,977,405,689.23	33,287,173,292.39
Minority equity		4,270,789,360.49	4,115,507,716.55
Total owner's equities (shareholder's equities)		33,248,195,049.72	37,402,681,008.94
Total for Liabilities and Owners' Equity (or Shareholders' Equity)		89,929,777,585.28	87,969,945,006.57

Legal Representative: Sai Zhiyi Person in charge of accounting work: Lv Sizhong Chief Accountant: Zhou Liang Person in charge of the accounting agency: Chen Fang

Balance Sheet of the Parent Company
June 30, 2020

Prepared by: Shandong High-speed Co., Ltd

Unit: Yuan Currency: RMB

Item	Note(s)	June 30, 2020	December 31, 2019
Current assets:			
Monetary funds		1,555,130,885.26	870,975,280.55
Trading financial assets			
Derivative financial assets			
Notes receivable		30,282,995.06	
Accounts receivable			
Receivables financing			
Advanced payment		19,668,894.18	11,562,276.40
Other receivables	XVII. 2	6,466,798,115.79	4,489,749,765.83
Including: Interest receivable			
Dividends receivable		75,037,985.75	
Stock		10,160.00	
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets			41,864.44
Total Current Assets		8,071,891,050.29	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 investment	XVII. 3	21,506,440,246.57	22,084,563,217.73
Other equity instrument investment		17,614,686.36	17,614,686.36
Other non-current financial assets			
Investment real estate		101,470,799.61	103,347,729.63
Fixed assets		5,591,159,510.44	5,944,035,071.13
Construction in process		2,690,782,609.79	1,523,216,463.56
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		25,680,173,883.49	26,139,356,460.31
Development expenditure			
Goodwill			
Long-term deferred expenses		1,003,702.81	1,499,423.29
Deferred income tax assets		571,492,952.37	571,492,951.37
Other non-current assets		3,554,047,337.85	2,707,210,551.70
Total non-current assets		61,214,185,729.29	60,592,336,555.08
Total assets		69,286,076,779.58	65,964,665,742.30
Current liabilities			

Short-term borrowings		4,207,900,000.00	3,404,762,465.75
Trading financial liabilities			
Derivative financial liabilities			
Notes payable		88,200,000.00	
Accounts payable		2,320,630,126.82	4,299,771,896.22
Advance receipt		0.00	34,980,345.86
Contract liabilities			
Employee pay payable		5,735,004.58	3,081,586.76
Taxes payable		1,942,810.12	514,166,694.40
Other payables		6,161,295,317.00	1,427,028,921.60
Including: Interests payable			
Dividends payable		1,828,243,025.66	
Liabilities held for sale			
Other non-current liabilities due within one year		2,454,979,082.52	1,971,942,633.55
Other current liabilities		4,000,000,000.00	2,514,549,315.05
Total current liabilities		19,244,285,452.71	14,170,283,859.19
Non-current liabilities			
Long-term Loans		24,043,955,676.95	23,264,718,125.26
Bonds payable			
Including: Preferred shares			
Perpetual debt			
Lease liabilities			
Long-term payable		297,258,943.01	294,000,000.00
Long-term payroll payable		142,298,876.40	125,852,148.97
Estimated liabilities			
Deferred Income		615,616,037.50	301,639,375.00
Deferred income tax liabilities		66,701,454.09	66,701,454.09
Other non-current liabilities			
Total non-current liabilities		25,165,830,987.95	24,052,911,103.32
Total liabilities		44,410,116,440.66	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 shares			
Perpetual debt			
Capital reserves		1,958,800,994.18	3,723,794,637.56
Minus: Treasury stock			
Other comprehensive income		53,002,748.03	9,953,082.58
Appropriate reserve			
Surplus reserves		3,136,400,886.76	3,136,400,886.76
Adjustment of the undistributed profits		14,916,589,852.95	16,060,156,315.89
Total owner's equities (shareholder's equities)		24,875,960,338.92	27,741,470,779.79

Total for Liabilities and Owners' Equity (or Shareholders' Equity)		69,286,076,779.58	65,964,665,742.30
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Legal Representative: Sai Zhiyi Person in charge of accounting work: Lv Sizhong Chief Accountant:
Zhou Liang Person in charge of the accounting agency: Chen Fang

Consolidated Income Statement

January to June, 2020

Unit: Yuan Currency: RMB

Item	Note(s)	The first half year in 2020	The first half year in 2019
I. Total operating incomes		4,049,639,902.51	4,761,607,723.15
Including: Revenue	VII. 61	4,049,639,902.51	4,761,607,723.15
Interest income			
Earned premiums			
Handling charges and commissions incomes			
II. Total operating costs		3,946,005,984.93	3,382,364,699.55
Including: Business cost	VII. 61	3,047,980,373.48	2,610,176,520.28
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	32,628,016.89	40,077,412.01
Selling expenses	VII. 63	40,234,228.65	25,667,073.18
Management expenses	VII. 64	179,947,540.97	200,123,236.91
Research and development (R&D) expenses	VII. 65	13,734,019.00	4,611,801.62
Financial expenses	VII. 66	631,481,805.94	501,708,655.55
Including: Interest expense		836,914,128.53	572,838,717.00
Interest income		205,779,848.48	72,530,618.66
Plus: Other income	VII. 67	24,211,622.07	6,687,313.28
Investment income ("-" for loss)	VII. 68	484,172,266.97	939,522,359.78
Including: Income from investments in associated enterprises and joint enterprises		226,239,883.38	282,369,429.94
Derecognized gains on financial assets measured at amortized costs ("-" for losses)			
Exchange gains ("-" for losses)			

Net exposure hedge gains (“-” for losses)			
Gains arising from fair value changes (“-” for losses)			
Credit impairment losses (“-” for losses)	VII. 71	-73,405,565.42	-25,120,884.69
Earnings of assets disposal (“-” for losses)			
Asset disposal earnings (“-” for losses)	VII. 73	-52,409,402.27	
III. Operating Profit (“-” for losses)		486,202,838.93	2,300,331,811.97
Plus: Non-business income	VII. 74	17,626,024.34	35,566,137.14
Minus: Non-operating expenditure	VII. 75	20,343,338.54	3,203,486.03
IV. Total Profit (“-” for total losses)		483,485,524.73	2,332,694,463.08
Minus: Income tax expense	VII. 76	151,555,279.37	594,549,794.54
V. Net Profit (“-” for net losses)		331,930,245.36	1,738,144,668.54
(I) Classified by continuity of operation			
1. Net profit from continued operation (“-” for net losses)		331,930,245.36	1,738,144,668.54
2. Net profit from discontinued operation (“-” for net losses)			
(II) Classified by attribution of ownership			
1. Net profit attributed to parent company stockholders (“-” for net losses)		256,960,515.79	1,615,241,947.03
2. Profits and losses of minority shareholders (“-” for net losses)		74,969,729.57	122,902,721.51
VI. After-tax net amount of other comprehensive income		37,866,738.62	-11,976,005.18
(I) After-tax net amount of other comprehensive incomes attributable to owners of the parent company		37,866,738.62	-11,976,005.18
1. Other comprehensive incomes that cannot be reclassified into profits and losses		-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 comprehensive income that will be reclassified into profits and losses		43,049,665.45	-11,976,005.18
(1) Other comprehensive income that can be converted to profit and loss under equity method		43,049,665.45	-11,976,005.18

(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			
VII. Total comprehensive income		369,796,983.98	1,726,168,663.36
(I) Total comprehensive income attributable to owners of the parent company		294,827,254.41	1,637,384,216.58
(II) Total comprehensive income attributable to minority shareholders		74,969,729.57	88,784,446.78
VIII. Earnings per share:			
(I) Basic earnings per share (yuan/share)		0.053	0.336
(II) Diluted earnings per share (yuan/share)		0.053	0.336

In case of business combination involving enterprises under common control in the period, net profit of the combined party gained before combination is: 181,832,760.37 yuan, and the net profit of the combined party gained last period is: 78,700,611.50 yuan.

Legal Representative: Sai Zhiyi Person in charge of accounting work: Lv Sizhong Chief Accountant: Zhou Liang Person in charge of the accounting agency: Chen Fang

Profit Statement of Parent Company

January to June, 2020

Unit: Yuan Currency: RMB

Item	Note(s)	The first half year in 2020	The first half year in 2019
I. Operating income	XVII. 4	1,616,226,486.40	2,281,002,304.31
Minus: Business cost	XVII. 4	1,380,067,349.12	1,114,278,690.22
Taxes and surcharges		10,217,088.14	12,312,175.20
Selling expenses			
Management expenses		44,347,811.44	54,264,245.23
Research and development (R&D) expenses		3,696,362.26	16,203.90
Financial expenses		485,060,354.95	234,437,521.75
Including: Interest expense		693,367,681.50	308,574,690.83
Interest income		208,357,567.03	75,664,132.16
Plus: Other income			
Investment income ("-" for loss)	XVII. 5	979,241,042.38	269,328,221.70

Including: Income from investments in associated enterprises and joint enterprises		179,176,195.99	269,328,221.70
Derecognized gains on financial assets measured at amortized costs (“-” for losses)			
Net exposure hedge gains (“-” for losses)			
Gains arising from fair value changes (“-” for losses)			
Credit impairment losses (“-” for losses)			10,358,398.81
Earnings of assets disposal (“-” for losses)			
Asset disposal earnings (“-” for losses)			
II. Operating Profit (“-” for losses)		672,078,562.87	1,145,380,088.52
Plus: Non-business income		14,533,641.80	16,905,541.10
Minus: Non-operating expenditure		2,755,501.78	1,308,867.75
III. Total Profit (“-” for total losses)		683,856,702.89	1,160,976,761.87
Minus: Income tax expense		-819,859.83	253,754,884.56
IV. Net Profit (“-” for net losses)		684,676,562.72	907,221,877.31
(I) Net profit from continues operation (“-” for net losses)		684,676,562.72	907,221,877.31
(II) Net profit from discontinuing operation (“-” for net losses)			
V. After-tax net amount other comprehensive income		43,049,665.45	-11,976,005.18
(I) Other comprehensive incomes that can't be reclassified into profit and loss			
1. Changes arising from the re-measurement of 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		43,049,665.45	-11,976,005.18
1. Other comprehensive incomes that can be converted into profits and losses under		43,049,665.45	-11,976,005.18

the 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. Translation difference in foreign currency statements			
7. Others			
VI. Total comprehensive income		727,726,228.17	895,245,872.13
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 the accounting agency: Chen Fang

Consolidated Cash Flow Statement

January to June, 2020

Unit: Yuan Currency: RMB

Item	Note(s)	The first half year in 2020	The first half year in 2019
I. Net cash flow from operating activities:			
Cash received from selling goods and providing services		4,100,372,112.28	5,761,456,846.97
Net increase in customer deposits in banks and other financial institutions			
Net increase in borrowings from central bank			
Net increase of loans from other financial institutions			
Cash received from receiving insurance premium of original insurance contract			
Net cash received from reinsurance business			
Net increase of policy holder deposits and investment funds			
Cash received from interests, fees and commissions			
Net increase of loans from other banks			

Net increase in repurchase business capital			
Net cash received from trading securities			
Tax refunds received			
Cash received from other operating activities	VII. 78	1,848,010,436.28	611,457,278.35
Subtotal of cash inflows from business activities		5,948,382,548.56	6,372,914,125.32
Cash paid for purchasing goods and receiving services		2,429,944,766.57	1,445,743,222.98
Net increase in loans and advances to customers			
Net increase in deposits in central bank and other financial institutions			
Cash paid for indemnity of original insurance contract			
Net increase in funds lent			
Cash paid for interests, fees and commissions			
Cash paid for policy dividends			
Cash paid to and paid for staff		566,037,353.26	615,331,391.13
Tax payments		927,239,060.34	950,760,613.41
Other cash paid related to operating activities	VII. 78	374,833,073.41	833,046,477.73
Subtotal of cash outflows from business activities		4,298,054,253.58	3,844,881,705.25
Net cash flow from operating activities		1,650,328,294.98	2,528,032,420.07
II. Cash flow from investment activities:			
Cash received from disposal of investment		175,215,245.76	1,650,000,000.00
Cash received from investment income		894,511,816.51	241,975,135.67
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		9,251.15	28,519.44
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investment activities	VII. 78	1,209,029,741.19	82,415,575.06
Subtotal of cash inflows from investment activities		2,278,766,054.61	1,974,419,230.17
Cash paid to acquire fixed assets, intangible assets and other long-term assets		3,696,184,569.07	4,552,482,174.71
Cash paid for investment		758,058,344.75	1,456,106,080.05
Net increase in pledge loans			

Net cash paid for the acquisition of subsidiaries and other business entities		2,700,176,391.00	
Cash payment of other activities related to investment	VII. 78		69,863,408.76
Subtotal of cash outflows from investment activities		7,154,419,304.82	6,078,451,663.52
Net cash flow from investment activities		-4,875,653,250.21	-4,104,032,433.35
III. Cash flows from financing activities:			
Cash received from absorbing investment		1,541,300,000.00	
Including: Cash received from absorption of minority shareholders investment subsidiary			
Cash received from debts		8,383,474,799.87	11,125,400,000.00
Cash received from other activities related to financing	VII. 78	0.00	0.00
Subtotal of cash inflows from financing activities		9,924,774,799.87	11,125,400,000.00
Cash paid for settlement of debts		4,872,669,375.43	5,381,083,035.23
Cash paid for dividend distribution, profit and interest		1,399,583,855.71	617,971,182.65
Including: Dividends and profits paid to minority shareholders by subsidiaries		574,588,046.26	
Cash payment of other activities related to financing	VII. 78	4,422,433.70	1,351,979.69
Subtotal of cash outflows from financial activities		6,276,675,664.84	6,000,406,197.57
Net cash flow from financing activities		3,648,099,135.03	5,124,993,802.43
IV. Effect of exchange rate fluctuations on cash and cash equivalents			
V. Net increase in cash and cash equivalents		422,774,179.80	3,548,993,789.15
Plus: Cash and cash equivalents balance at the beginning of the period		2,325,841,659.54	2,341,913,200.47
VI. Balance of cash and cash equivalents at the end of the period		2,748,615,839.34	5,890,906,989.62

Legal Representative: Sai Zhiyi Person in charge of accounting work: Lv Sizhong Chief Accountant: Zhou Liang Person in charge of the accounting agency: Chen Fang

Cash Flow Statement of Parent Company
January to June, 2020

Unit: Yuan Currency: RMB

Item	Note(s)	The first half year in 2020	The first half year in 2019
I. Net cash flow from operating activities:			
Cash received from selling goods and providing services		1,311,244,804.21	3,550,908,687.26
Tax refunds received			
Cash received from other operating activities		3,024,807,507.76	322,639,950.24
Subtotal of cash inflows from business activities		4,336,052,311.97	3,873,548,637.50
Cash paid for purchasing goods and receiving services		284,167,862.51	144,672,607.85
Cash paid to and paid for staff		339,284,302.67	360,539,410.49
Tax payments		577,907,908.30	508,003,306.82
Other cash paid related to operating activities		1,668,868,771.51	1,341,453,084.19
Subtotal of cash outflows from business activities		2,870,228,844.99	2,354,668,409.35
Net cash flow from operating activities		1,465,823,466.98	1,518,880,228.15
II. Cash flow from investment activities:			
Cash received from disposal of investment		1,000,000,000.00	501,000,000.00
Cash received from investment income		765,974,233.99	125,969,375.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		-225,777.25	
Net cash received from disposal of subsidiaries and other business units			
Other cash received related to investment activities		313,899,662.50	1,064,000,000.00
Subtotal of cash inflows from investment activities		2,079,648,119.24	1,690,969,375.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets		3,132,485,023.16	4,246,088,182.74
Cash paid for investment		2,721,746,391.00	1,350,000,000.00
Net cash paid for the acquisition of subsidiaries and other business entities			
Cash payment of other activities related to investment			

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Subtotal of cash outflows from investment activities		5,854,231,414.16	5,596,088,182.74
Net cash flow from investment activities		-3,774,583,294.92	-3,905,118,807.74
III. Cash flows from financing activities:			
Cash received from absorbing investment			
Cash received from debts		7,882,705,104.50	6,227,400,000.00
Cash received from other activities related to financing			
Subtotal of cash inflows from financing activities		7,882,705,104.50	6,227,400,000.00
Cash paid for settlement of debts		4,327,081,167.10	1,606,051,367.23
Cash paid for dividend distribution, profit and interest		558,286,071.05	366,888,722.83
Cash payment of other activities related to financing		4,422,433.70	1,340,587.91
Subtotal of cash outflows from financial activities		4,889,789,671.85	1,974,280,677.97
Net cash flow from financing activities		2,992,915,432.65	4,253,119,322.03
IV. Effect of exchange rate fluctuations on cash and cash equivalents			
V. Net increase in cash and cash equivalents		684,155,604.71	1,866,880,742.44
Plus: Cash and cash equivalents balance at the beginning of the period		870,975,280.55	953,159,691.94
VI. Balance of cash and cash equivalents at the end of the period		1,555,130,885.26	2,820,040,434.38

Legal Representative: Sai Zhiyi Person in charge of accounting work: Lv Sizhong Chief Accountant:
Zhou Liang Person in charge of the accounting agency: Chen Fang

Consolidated Statement of Changes in Owner's Equity

January to June, 2020

Unit: Yuan Currency: RMB

Item	The first half year in 2020														
	Equities attributable to the owners of parent company												Minority equity	Total owner's equity	
	Paid-in capital (or share capital)	Other equity instrument			Capital reserves	Minu s: Treas ury stock	Other comprehensiv e income	Appropriat e reserve	Surplus reserves	Provision for normal risks	Adjustment of the undistributed profits	Others			Subtotal
Prefer red share s		Perpetual debt	Oth ers												
I. Ending balance of last year	4,811,165,857 .00		2,000,000,0 00.00		4,159,538,082. 19		9,953,082.58					17,975,791, 829.92	32,121,19 1,628.12	2,266,246,76 0.76	34,387,438, 388.88
Plus: Changes in accountin g policies															
Correctio ns of prior period errors															
Business combinat ion under same control					677,225,170.5 1				82,671,0 61.69			406,085,432. 07	1,165,981,6 64.27	1,849,260,95 5.79	3,015,242,620 .06
Others															

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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		18,381,877,261.99		33,287,173,292.39		4,115,507,716.55		37,402,681,008.94
III. Increase or decrease amount in this period ("-" for decrease)					-2,436,440,813.89		37,866,738.62		6,857,606.49				-1,918,051,134.38		-4,309,767,603.16		155,281,643.94		-4,154,485,959.22
(I) Total comprehensive income							37,866,738.62						256,960,515.79		294,827,254.41		74,969,729.57		369,796,983.98
(II) Capital invested and reduced by owners					-2,436,440,813.89								-346,768,624.51		-2,783,209,438.40		647,668,649.67		-2,135,540,788.73
1. Common stock invested by the owner					5,778,000.00										5,778,000.00		659,109,571.08		664,887,571.08
2. Capitals invested by holders of other																			

equity instruments														
3. The amount of share-based payment included in the owner's equity														
4. Others					- 2,442,218,813.89					- 346,768,624.51		- 2,788,987,438.40	- 11,440,921.41	- 2,800,428,359.81
(III) Distribution of the profits										- 1,828,243,025.66		- 1,828,243,025.66	- 574,588,046.26	- 2,402,831,071.92
1. Withdrawal of surplus reserves														
2. Extraction of general risk reserve														
3. Distribution to the owners (or stockholders)										- 1,828,243,025.66		- 1,828,243,025.66	- 574,588,046.26	- 2,402,831,071.92
4. Others														

(IV) Internal carry- over of owner's equity															
1. Capital reserve converted into share capital (or stock)															
2. Surplus reserve converted into share capital (or stock)															
3. Surplus reserve compensated for losses															
4. Carry-over of changes in the defined benefit plans into retained income															
5. Other comprehensive income															

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carried forward to retained earnings															
6. Others															
(V) Special reserves								6,857,606.49					6,857,606.49	7,231,310.96	14,088,917.45
1. Extraction in this period								7,195,976.03					7,195,976.03	7,597,563.30	14,793,539.33
2. Used in this period								338,369.54					338,369.54	366,252.34	704,621.88
(VI) Others															
IV. Balance at the end of the period	4,811,165,857.00		2,000,000,000.00		2,400,322,438.81		47,819,821.20	89,528,668.18	3,164,742,776.43		16,463,826,127.61		28,977,405,689.23	4,270,789,360.49	33,248,195,049.72

Item	The first half year in 2019														
	Equities attributable to the owners of parent company													Minority equity	Total owner's equity
	Paid-in capital (or share capital)	Other equity instrument			Capital reserves	Minu s: Treasury stock	Other comprehensive income	Appropriate reserve	Surplus reserves	Provision for normal risks 备	Adjustment of the undistributed profits	Others	Subtotal		
Preferred shares		Perpetual debt	Others												
I. Ending balance of	4,811,165,8				3,273,636,1		6,823,118.		2,892,790,7		16,276,718,		27,261,133,	2,054,284,1	29,315,418,

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last year	57.00				01.65		95		37.78		131.16		946.54	78.79	125.33
Plus: Changes in accounting policies															
Correction s of prior period errors															
Business combinati on under same control					677,225,17 0.51	499,997.7 4	65,869,092 .34	0.0 0	319,713,385 .69	1,063,307,6 46.28	1,763,493,8 95.12	2,826,801,5 41.40			
Others															
II. Beginning balance of this year	4,811,165,8 57.00				3,950,861,2 72.16	7,323,116. 69	65,869,092 .34	2,892,790,7 37.78	16,596,431, 516.85	28,324,441, 592.82	3,817,778,0 73.91	32,142,219, 666.73			
III. Increase or decrease amount in this period ("-" for decrease)						- 11,976,0 05.18	7,880,83 4.75		551,974,2 92.63	547,879,1 22.20	131,330,0 87.87	679,209, 210.07			
(I) Total comprehe nsive income						- 11,976,00 5.18			1,615,241,9 47.03	1,603,265,9 41.85	122,902,72 1.51	1,726,168,6 63.36			
(II) Capital invested and reduced by owners															
1. Com mon stock															

invested by the owner																
2. Capitals invested by holders of other equity instruments																
3. The amount of share-based payment included in the owner's equity																
4. Others																
(III) Distribution of the profits										-		-				-
										1,063,267,654.40		1,063,267,654.40				1,063,267,654.40
1. Withdrawal of surplus reserves																
2. Extraction of general risk reserve																
3. Distribution to the owners (or stockholders)										-		-				-
										1,063,267,654.40		1,063,267,654.40				1,063,267,654.40
4. Others																
(IV)																

Internal carry-over of owner's equity															
1. Capital reserve converted into share capital (or stock)															
2. Surplus reserve converted into share capital (or stock)															
3. Surplus reserve compensated for losses															
4. Carry-over of changes in the defined benefit plans into retained income															
5. Other comprehensive income carried forward to retained earnings															
6. Others															
(V) Special															

reserves							7,880,834.75				7,880,834.75	8,427,366.36	16,308,201.11
1. Extraction in this period							8,042,776.15				8,042,776.15	8,755,437.12	16,798,213.27
2. Used in this period							161,941.40				161,941.40	328,070.76	490,012.16
(VI) Others													
IV. Balance at the end of the period	4,811,165,857.00				3,950,861,272.16	4,652,888.49	73,749,927.0900	2,892,790,737.78		17,148,405,809.48	28,872,320,715.02	3,949,108,161.78	32,821,428,876.80

Legal Representative: Sai Zhiyi Person in charge of accounting work: Lv Sizhong Chief Accountant: Zhou Liang Person in charge of the accounting agency: Chen Fang

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

Unit: Yuan Currency: RMB

Item	The first half year in 2020										
	Paid-in capital (or share capital)	Other equity instrument			Capital reserves	Minus: Treasury stock	Other comprehensive income	Appropriate reserve	Surplus reserves	Adjustment of the undistributed profits	Total owner's equity
		Preferred shares	Perpetual debt	Others							
I. Ending balance of 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											
Early error correction											

Semi-annual Report for 2020

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. Increase or decrease amount in this period ("-" for decrease)					1,764,993,643.38		43,049,665.45			-1,143,566,462.94	-2,865,510,440.87
(I) Total comprehensive income							43,049,665.45			684,676,562.72	727,726,228.17
(II) Capital invested and reduced by owners					1,764,993,643.38						-1,764,993,643.38
1. Common stock invested by the owner											
2. Capitals invested by holders of other equity instruments											
3. The amount of share-based payment included in the owner's equity											
4. Others					1,764,993,643.38						-1,764,993,643.38
(III) Distribution of the profits										-1,828,243,025.66	-1,828,243,025.66

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1. Withdrawal of surplus reserves											
2. Distribution to the owners (or stockholders)										-1,828,243,025.66	-1,828,243,025.66
3. Others											
(IV) Internal carry-over of owner's equity											
1. Capital reserve converted into share capital (or stock)											
2. Surplus reserve converted into share capital (or stock)											
3. Surplus reserve compensated for losses											
4. Carry-over of changes in the defined benefit plans into retained income											
5. Other comprehensive income carried forward to retained earnings											
6. Others											

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(V) Special reserves											
1. Extraction in this period											
2. Used in this period											
(VI) Others											
IV. Balance at the end of the period	4,811,165,857.00				1,958,800,994.18		53,002,748.03		3,136,400,886.76	14,916,589,852.95	24,875,960,338.92

Item	The first half year in 2019										
	Paid-in capital (or share capital)	Other equity instrument			Capital reserves	Minus: Treasury stock	Other comprehensive income	Appropriate reserve	Surplus reserves	Adjustment of the undistributed profits	Total owner's equity
		Preferred shares	Perpetual debt	Others							
I. Ending balance of 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											
Early error correction											
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. Increase or decrease amount in this period ("-" for decrease)					7,324,255.04		11,976,005.18			-156,045,777.09	-160,697,527.23
(I) Total comprehensive income							11,976,005.18			907,221,877.31	895,245,872.13

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							18			
(II) Capital invested and reduced by owners					7,324,255.04					7,324,255.04
1. Common stock invested by the owner										
2. Capitals invested by holders of other equity instruments										
3. The amount of share-based payment included in the owner's equity										
4. Others					7,324,255.04					7,324,255.04
(III) Distribution of the profits									- 1,063,267,654.4 0	- 1,063,267,654.4 0
1. Withdrawal of surplus reserves										
2. Distribution to the owners (or stockholders)										
3. Others									- 1,063,267,654.4 0	- 1,063,267,654.4 0
(IV) Internal carry-over of owner's										

equity											
1. Capital reserve converted into share capital (or stock)											
2. Surplus reserve converted into share capital (or stock)											
3. Surplus reserve compensated for losses											
4. Carry-over of changes in the defined benefit plans into retained income											
5. Other comprehensive income carried forward to retained earnings											
6. Others											
(V) Special reserves											
1. Extraction in this period											
2. Used in this period											
(VI) Others											

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IV. Balance at the end of the period	4,811,165,857.00				3,139,115,394.96		5,152,886.23		2,864,448,848.11	14,485,473,138.37	25,295,050,352.21
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Legal Representative: Sai Zhiyi Person in charge of accounting work: Lv Sizhong Chief Accountant: Zhou Liang Person in charge of the accounting agency: Chen Fang

III. Company Overview

1. Company profile

√Applicable □ Not applicable

Shandong Expressway Co., Ltd. (hereinafter referred to as "this company" or "the company", collectively referred to as "the group" while including its subsidiaries), formerly known as Shandong infrastructure Co., Ltd., was approved by the State Economic and Trade Commission of the People's Republic of China on November 16, 1999 with the document of State Economic and Trade Enterprise Reform [1999] No. 1073, and was founded with Shandong Expressway Co., Ltd. (now renamed as Shandong Hi-speed Group Co., Ltd) (hereinafter referred to as "Shandong Expressway Group") and Huajian Traffic Economic Development Center of the Ministry of Communications (now renamed as China Merchants Road Network Technology Holding Co., Ltd.) as initiators, among which Shandong Expressway Co., Ltd. and Huajian Traffic Economic Development Center of the Ministry of Communications held 2,097,050,000 shares and 761,750,000 shares respectively accounting for 73.35% and 26.65% of the total share capital respectively. The business license of enterprise legal person with the registration number of 3700001804559 (now changed to the unified social credit Code 91370000863134717k) has been obtained.

In January 2002, the company issued 505 million ordinary shares to the public according to the document of China Securities Regulatory Commission (ZJFXZ [2002] No. 6), after which the total share capital of the company was changed to 336,3.8 million shares, and the share capital structure was changed to 209,705 million shares of Shandong Hi-speed Co., Ltd accounting for 62.34%; Huajian Traffic Economic Development Center has 76,1.75 million shares accounting for 22.65%, and 505 million shares of social public shares accounting for 15.01%.

On May 23, 2006, according to the resolution of the first extraordinary general meeting of shareholders of the company in 2006, the name of the company was changed to "Shandong Expressway Co., Ltd." with the industrial and commercial registration of change being completed.

On July 5, 2011, according to the Reply on Approving Shandong Expressway Co., Ltd. to Issue Shares to Shandong Hi-speed Group Co., Ltd. to Purchase Assets (ZJXK [2011] No. 1007) and the Reply on Approving and Exempting the Obligation of Shandong Expressway Group Co., Ltd. to Acquire Shares of Shandong Expressway Co., Ltd. (ZJXK [2011] No. 1008), the company issued 1,447,365,857 shares to Shandong Hi-speed Group Co., Ltd.

On April 11, 2012, according to the resolution of the first extraordinary general meeting of shareholders of the company in 2012, the company's name was changed to "Shandong Expressway Co., Ltd." and the industrial and commercial change registration was completed.

As of June 30, 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.

Company headquarters address: No. 5006 Aoti Middle Road, Jinan, Shandong, P. R. C.

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 16, 2044	318.50

Relevant sections of Beijing-Taibei Expressway	Phase I of Dezhou-Qihe Section of Beijing-Fuzhou Expressway	November 17, 2022	89.03
	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 Expressway	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, 2019	1.35
Xuchang-Yuzhou Expressway	Xuchang-Yuzhou Expressway in Henan	November 14, 2037	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 scope of the Company's consolidated financial statements includes 27 companies including Shandong Hi-Speed Investment Development Co., Ltd. and Shandong Hi-Speed Industrial Development Co., Ltd. Compared with the previous year, Shandong Hi-Speed Rail Transit Group Co., Ltd. and its subsidiaries were included in the consolidation scope and retrospectively adjusted due to equity acquisitions; and Jinan Changying Jin'an Investment Partnership (Limited Partnership) was no longer included in the consolidation scope due to capital reduction. .

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. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimate prompt:

Applicable Not applicable

Specific accounting policies and accounting estimate prompt: The specific accounting policies and accounting estimates formulated by the group in accordance with the relevant provisions of accounting standards and the characteristics of actual production and operation include the recognition and measurement of bad debt reserves of receivables, the measurement of issued inventory, the classification and depreciation method of fixed assets, the amortization of intangible assets, the recognition and measurement of revenue (including the recognition and measurement method of inventory, revenue and other items of special business such as BOT/BT/construction contract business).

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 invested entity under the same control is acquired step by step through multiple transactions to form the business combination at last. While preparing the consolidated statement, it is deemed that the final controller carries out the adjustment according to the current status when the control begins. While preparing the comparative statement, the related assets and liabilities of the merged party are merged into the comparative statements of the consolidated financial statements of the group with the time limit no earlier than the time when the group and the merged party are under the control of the final controller, and the relevant items under owners' equity will be adjusted in the comparative statement for the increased net assets due to merger. In order to avoid repeated calculation of the value of the merged party's net assets, about the long-term equity investment held by the group before the date of merger, the related profit and loss, other comprehensive income and other changes in net assets shall be offset against the retained earnings at the beginning of the period and current profit and loss on the date when the original equity is acquired and the date when the group and the merged party are under the final control of the same party, which comes later to the date of merger.

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. For the joint operated project, the group, as a joint party in the joint operation, shall recognize the assets and liabilities held separately, as well as the assets and liabilities confirmed by shares, and shall identify the relevant incomes and expenses separately or by shares in accordance with the relevant agreements. 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

Cash equivalents refer to the short term investment with strong liquidity and which are easy to be converted into cash of known amounts, and the investment with low risk of changes in value held by companies (usually refer to those which will become due within three months from the purchase date).

9. Foreign currency transaction and translation of foreign currency statement

Applicable Not applicable

10. Financial instruments

Applicable Not applicable

The Group confirms a financial assets or financial liabilities when become one party of financial instruments contract.

(1) Financial assets

1) Classification, confirmation basis and measuring 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 financial assets that meet the following conditions into financial assets measured at amortized cost: ① The business mode of managing the financial assets is with the objective to collect contract cash flow. ② The contractual terms of the financial asset stipulate that the cash flow generated on the specific date is only the payment of the principal and the 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 financial assets that meet the following conditions as financial assets measured at fair value and whose changes are included in other comprehensive income: ① The business model of managing the financial assets aims to receive contractual cash flow and sell the financial assets. ② The contractual terms of the financial asset stipulate that the cash flow generated on the specific date is only the payment of the principal and the 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. Interest income is calculated and determined by multiplying the book balance of financial assets by the actual interest rate, except for the following situations: ① For the financial assets purchased or generated with credit impairment from the initial recognition, the interest income is calculated and determined according to the amortized cost of the financial assets and the actual interest rate adjusted by credit. ② For the financial assets purchased or generated from sources without credit impairment but become credit impairment in the subsequent period, the interest income shall be calculated and determined according to the amortized cost and actual interest rate of the financial assets in the subsequent period.

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 for transfer of financial assets

The financial assets that meet any of the following conditions shall be terminated by this group for recognition: ① The contract right to collect the cash flow of the financial assets is terminated; ② The financial assets have been transferred, and almost all the risks and remunerations on the ownership of the financial assets are transferred by this group; ③ The financial assets have been transferred. The group has neither transferred nor failed to retain almost all risks and remunerations on the ownership of financial assets, and has not retained the control over the financial assets.

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. Except for the following items, the Group classifies financial liabilities as financial liabilities measured at amortized cost: ① Financial liabilities measured at fair value with changes included in current profit and loss, including transaction financial liabilities (including derivatives belonging to financial liabilities) and financial liabilities designated to be measured at fair value with changes included in current profit and loss. ② Financial liabilities formed by transfer of financial assets that do not meet the conditions for derecognition or continuous involvement in the transferred financial assets. ③ Financial guarantee contracts that do not belong to the above ① or ②, and loan commitments that do not belong to the above ① and with rate lower than market interest 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) Termination recognition condition of financial liability

When current liabilities of financial liability are completely or partly discharged, part of the financial liability or obligation 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 used in the fair value measurement is divided into three levels: the first level input value is the unadjusted offer of the same assets or liabilities in the active market that can be obtained on the measurement date; the second level input value is the directly or indirectly observable input value of relevant assets or liabilities except the first level input value; the third level input value is the unobservable input value of relevant assets or liabilities. 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, in case the following conditions are satisfied simultaneously, the net amount upon mutual offset shall be listed in the balance sheet: (1) The Group has legal right to offset recognized amount, which is executable at present; (2) The Group plans to settle at net amount or liquidate the financial asset and pay off the financial liability at the same time.

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

The Group shall distinguish the financial liabilities and equity instruments according to the following principles: (1) A contractual obligation is defined as a financial liability if the Group cannot unconditionally avoid the delivery of cash or other financial assets. 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 shall or can be settled by equity tool of the Group, it shall be considered whether equity tool of the Group for settlement of the tool is taken as cash or replacement of other financial assets or is used to make holder of the tool enjoy rest equity in asset after the issuer deducts all liabilities. 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

For the determination method and accounting disposal method of expected credit loss of notes receivable, refer to Note V, 12.

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 notes receivable and accounts receivable formed by transaction regulated by Accounting Standards for Business Enterprises No.14-Income Standards. When the single financial asset is unable to assess the expected credit loss information at reasonable cost, the Group divides notes receivable into several combinations according to the credit risk characteristics and calculates the expected credit loss on the basis of the combination.

The basis for determining the combination 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.

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

Aging	Expected credit loss rate (%)
Within 1 year (including 1 year)	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
Over 5 years	100

13. Receivables financing

Applicable Not applicable

14. Other receivables**Determination method and accounting disposal method of expected credit loss of other receivables**

Applicable Not applicable

The Group measures the provision for loss of other receivables in accordance with the following circumstances: ① For financial assets with no significant increase in credit risk since initial recognition, the Group will measure the provision for loss in accordance with the amount of expected credit loss in the next 12 months; ② For financial assets with significant increase in credit risk since initial recognition, the Group will measure the loss provision in accordance with the amount equivalent to the expected credit loss within the whole life of the financial instrument; ③ For the financial assets purchased or generated with credit impairment, the Group will measure the loss provision by the amount equivalent to the expected credit loss within the whole duration.

When sufficient evidence of significant increase in credit risk cannot be obtained at a reasonable cost at the level of single instrument, and it is feasible to assess whether significant increase in credit risk is achieved on the basis of combination, the Group will classify other receivables according to common risk characteristics and assess whether significant increase in credit risk is achieved on the basis of combination. 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 (including 1 year)	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
Over 5 years	100

15. Stock

Applicable Not applicable

The inventory of the Group mainly includes real estate development costs, development products and materials used to repair and maintain roads and bridges which shall be listed by the cost and net realizable value (NRV) which is 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

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

Applicable Not applicable

17. Held-for-sale assets

Applicable Not applicable

18. Debt investment**The determination method and accounting disposal method of expected credit loss of debt investment.**

Applicable Not applicable

The Group measures the provision for loss of other receivables in accordance with the following circumstances: ① For financial assets with no significant increase in credit risk since initial recognition, the Group will measure the provision for loss in accordance with the amount of expected credit loss in the next 12 months; ② For financial assets with significant increase in credit risk since initial recognition, the Group will measure the loss provision in accordance with the amount equivalent to the expected credit loss within the whole life of the financial instrument; ③ For the financial assets purchased or generated with credit impairment, the Group will measure the loss provision by the amount equivalent to the expected credit loss within the whole duration.

19. Other investment on bonds**The determination method and accounting disposal method of expected credit loss of other debt investments.**

Applicable Not applicable

The Group measures the provision for loss of other debt investments according to the following circumstances: ① For financial assets with no significant increase in credit risk since initial recognition, the Group will measure the provision for loss in accordance with the amount of expected credit loss in the next 12 months; ② For financial assets with significant increase in credit risk since initial recognition, the Group will measure the loss provision in accordance with the amount equivalent to the expected credit loss within the whole life of the financial instrument; ③ For the financial assets purchased or generated with credit impairment, the Group will measure the loss provision by the amount equivalent to the expected credit loss within the whole duration.

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

20. Long-term receivables

Determination method and accounting disposal method of expected credit loss of long-term receivables.

Applicable Not applicable

21. Long term equity investment

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% of the voting rights of the invested entity through subsidiaries, it is generally considered to have a significant impact on the invested entity. 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 the book value of the net assets of combined party on the date of merger is negative, the cost of long-term equity investment shall be determined 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. E.g.: 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. E.g.: 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 does not belong to the package transaction, the sum of the book value of the original equity investment plus the newly increased investment cost shall be taken as the initial investment cost calculated according to the cost method. 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 at fair value in accordance with the Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments, the accumulated changes in fair value originally included in other comprehensive income shall be transferred into 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 calculated by the cost method in subsequent measurement, the book value of the cost of long-term equity investment shall be increased according to the fair value of the cost paid for the additional investment and the relevant transaction expenses incurred while increasing the investment. 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 accounted by equity method in subsequent measurement, the book value of the long-term equity investment will be increased or decreased accordingly with the change of the owner's equity of the invested entity. 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 of 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 the significant impact on the invested entity is lost due to the disposal of part of the equity investment, the remaining equity after disposal shall be accounted according to the Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments, and the difference between the fair value and book value of the remaining equity on the date of losing the significant impact shall be included in the current profit and loss. 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 the control over the invested entity is lost due to the disposal of part of the long-term equity investment and the remaining equity after disposal can exercise joint control or exert significant influence on the invested entity, it shall be accounted according to the equity method instead. The difference between the book value of the disposal equity and the disposal consideration shall be included in the investment income, and the remaining equity shall be deemed to be accounted and adjusted by the equity method since it is obtained; if the remaining equity after disposal cannot exercise joint control or exert significant influence on the invested entity, it shall be accounted in accordance with the Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments. The difference between the book value of the disposal equity and the disposal consideration shall be included in the investment income. The difference between the fair value and the book value of the remaining equity on the date of losing control shall be included in the current investment profit and loss.

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 estate

(1). Depreciation or amortization method with cost measurement mode

The investment properties of the company include buildings that have been leased. 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 and annual depreciation(amortization) rate of various investment properties 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.

Road property include roads, 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. From July 1, 2015, the depreciation of road property is calculated by the traffic flow method, that is, the annual depreciation is calculated by the ratio between the actual traffic flow in a specific year to the estimated total traffic flow in the remaining toll 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. In addition to the traffic flow method, the straight line method is used for the depreciation of other assets. In addition to road property, the classified depreciation life, estimated net residual value rate and depreciation rate of other fixed assets of the Group are as follows:

(2) Depreciation method

Applicable Not applicable

Category	Depreciation	Depreciation period	Ratio of remaining	Annual depreciation
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	method	(year)	value	rate
Houses and Buildings	Average age methods	3-40	3-5	0.95-32.3
Mechanical equipment	Average age methods	3-25	3-5	3.8-32.3
Transport equipment	Average age methods	3-15	3-5	6.3-32.3
Electronic, electrical and communication equipment	Average age methods	3-30	3-5	3.2-32.3
Instruments and standard measuring apparatus	Average age methods	3-10	3-5	9.5-32.3
Other Equipment	Average age methods	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

The borrowing costs incurred which can be directly attributable to the fixed assets, investment real estate and inventory that need to go through more than 1 year's acquisition and construction or production activities before the expected service or sales start to be capitalized, when the asset expenditure, the borrowing costs, and the acquisition and construction or production activities necessary to make the assets serviceable and marketable have occurred; when the acquisition and construction or production of assets eligible for capitalization reach the expected serviceable or marketable state, the capitalization shall be stopped, and the subsequent borrowing cost shall be included in the current profit and loss. If the assets eligible for capitalization are interrupted abnormally during the acquisition, construction or production process, and the interruption period lasts for more than three months, the capitalization of the borrowing costs shall be suspended until the acquisition, construction or production activities of the assets resumes.

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.

In addition to toll road franchise 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 service 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). Internal R&D expenditure accounting policy

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**Recognition method of contractual liabilities** Applicable √ Not applicable**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.

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 guarantees, commercial acceptance bill discounts, pending litigation or arbitration meets all of the following conditions, the Group recognizes them as liabilities: This obligation is the current obligation assumed by the Group; the performance of this obligation is likely to cause economic loss to the Group; the amount related to this obligation can be reliably measured.

36. Share-based payment

Applicable Not applicable

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 the preferred shares and perpetual bonds classified as equity instruments, the owner's equity will be increased after the consideration received at the time of issuance deducting the transaction cost, the interest expense or dividend distribution will be treated as profit distribution, and the repurchase or cancellation will be treated as equity change.

38. Income

(1). Accounting policy for income recognition and measurement

Applicable Not applicable

The operating revenue of the Group mainly includes vehicle toll revenue, sales revenue of development products, sales revenue of other goods except development products, and revenue from providing services. The revenue recognition policies are as follows:

(1) Recognition principle of vehicle toll revenue

Toll revenue of roads and bridges shall be recognized according to the amount collected and receivable when vehicles are passing.

(2) Revenue recognition principle of sales and development products

The real estate sales shall be recognized as sales revenue when the developed products have been completed and accepted, the sales contract has been signed, the buyer's payment certificate has been obtained and the products have been delivered for use.

(3) Sales of products other than developed products

Sales revenue is recognized when the main risks and rewards of commodity ownership have been transferred to the buyer and the commodity are no longer under continuous management and control, the economic benefits related to the transaction can flow into the Group, and the relevant revenue and cost can be reliably measured.

(4) Revenue from rendering of service

For the labor services provided such as consulting management, the revenue and expenses of the service contract shall be recognized on the balance sheet date according to the percentage of completion method. The completion schedule is determined by the proportion of the completed contract workload to the total estimated contract workload. If the result of one single labor contract cannot be estimated reliably, it shall be handled according to the following circumstances:

If the contract cost can be recovered, the contract sales revenue shall be recognized according to the actual contract cost that can be recovered, and the contract cost shall be recognized as expenses in the year when it occurs;

If it is impossible to recover the contract cost, it shall be recognized as the expense of the current year immediately when it occurs, and the contract sales revenue shall not be recognized.

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

Applicable Not applicable

39. Contract cost

Applicable Not applicable

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 income 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 profits and losses 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 subsidies 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 there is relevant deferred revenue, the book balance of the relevant deferred revenue shall be offset, and the excess shall be included in the current profits and losses.

2) In other cases, it shall be directly recorded into the current profits and losses.

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. The corresponding deferred income tax assets and deferred income tax liabilities shall not be recognized for the temporary differences caused by the initial recognition of assets or liabilities generated in the non-business combination transactions that neither affect the accounting profit nor the taxable income (or deductible loss). 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 profits and losses 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 (name and amount of statement items that are significantly affected)
On July 5, 2017, Ministry of Finance issued <i>Accounting Standards for Business Enterprises No. 17-Revenue</i>	CK [2017] No. 22	None

Other instructions:

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

(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

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.	3%, 5%, 6%, 9%, 10%, 13%, 16%
Urban maintenance and construction tax	Turnover tax payable	7%, 5%

Education surcharge	Turnover tax payable	5%, 3%
Enterprise income tax	Taxable income	15%, 20%, 25%

Explanation for disclosure when there are taxpayers with different enterprise income tax rates

Applicable Not applicable

Name of taxpayer	Income tax rate (%)
Shandong Hi-speed Environmental Technology Co., Ltd.	20
Shandong High Speed Railway Construction Equipment Co., Ltd.	15

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 Hi-speed Environmental Protection Technology Co., Ltd., a subsidiary of the Group, is recognized as a SME, and the part of its annual taxable income not exceeding 1 million yuan will be included in the taxable income by 25% and the enterprise income tax will be paid at the rate of 20%; for the part of the annual taxable income more than 1 million yuan but not exceeding 3 million yuan, 50% of the amount shall be included in the taxable income and income tax shall be paid according to the rate of 20%.

On December 28, 2017, Shandong High Speed Railway Construction Equipment Co., Ltd., a subsidiary of the Company obtained the *Certificates of Advanced Technology Enterprises*, with No. of GR201737000672, and validity period of 3 years. According to the *Law of the People's Republic of China on Enterprise Income Tax*, For high-tech enterprises, "the enterprise income tax shall be levied at a reduced rate of 15%".

3. Others

Applicable Not applicable

VII. Notes of the consolidated financial statement items

1. Monetary funds

Applicable Not applicable

Item	Unit: Yuan Currency: RMB	
	Ending balance	Beginning balance
Cash in stock	55,855.54	146,872.71
Cash in bank	2,748,559,983.80	2,325,694,786.83
Other monetary funds	23,243,780.84	20,220,272.25
Total	2,771,859,620.18	2,346,061,931.79
Including: Total amount of deposited abroad		

Other instructions:

Other monetary funds are L/C guarantee, acceptance bill and performance bond.

2. Trading financial assets

Applicable Not applicable

3. Derivative financial assets

Applicable Not applicable

4. Notes receivable

(1). Classification of notes receivable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Bank acceptance bill	183,877,623.78	230,882,312.59
Commercial acceptance bill	34,007,995.06	18,752,976.38
Total	217,885,618.84	249,635,288.97

(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

Unit: Yuan Currency: RMB

Item	Ending derecognition amount	Ending non-derecognition amount
Bank acceptance bill	169,260,998.55	
Commercial acceptance bill		500,000.00
Total	169,260,998.55	500,000.00

(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

(6). Reserves for bad debts

Applicable Not applicable

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

Applicable Not applicable

Other instructions:

Applicable Not applicable

5. Accounts receivable

(1). Disclosure by account receivable age

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Ending book balance
Sub-total within 1 year	593,259,629.79
1-2 years	17,952,352.35
2-3 years	39,854,113.41
3-4 years	879,749.00
4-5 years	
Over 5 years	1,053,662.67
Total	652,999,507.22

(2). Classified disclosure by bad debt accrual method

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

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 (%)	
Accrual of bad debt reserves by single item	808,724.17	0.12	808,724.17	100		808,724.17	0.35	808,724.17	100	
Including:										
Accrual of bad debt reserves by single item with insignificant amount	808,724.17	0.12	808,724.17	100		808,724.17	0.35	808,724.17	100	
Accrual of bad debt reserves by combination	652,190,783.05	99.88	44,099,263.75	6.76	608,091,519.30	238,800,009.51	99.65	23,310,028.97	9.76	215,489,980.54
Including:										
Accounts receivable with bad debt reserves accrued according to the credit risk characteristics	652,190,783.05	99.88	44,099,263.75	6.76	608,091,519.30	238,800,009.51	99.65	23,310,028.97	9.76	215,489,980.54

combination										
Total	652,999,507.22	/	44,907,987.92	/	608,091,519.30	239,608,733.68	/	24,118,753.14	/	215,489,980.54

Accrual of bad debt reserves by single item:

Applicable Not applicable

Unit: Yuan Currency: RMB

Name	Ending balance			
	Book balance	Bad debt reserves	Proportion of accrual (%)	Reasons for accrual
Qinglin Railway Construction Headquarters	808,724.17	808,724.17	100	Estimate to be uncollectible
Total	808,724.17	808,724.17	100	/

Explanation for accrual of bad debt reserves by single item:

Applicable Not applicable

Accrual of bad debt reserves by combination:

Applicable Not applicable

Item accrued by combination: Accounts receivable with bad debt reserves accrued according to the credit risk characteristics combination

Unit: Yuan Currency: RMB

Name	Ending balance		
	Accounts receivable	Bad debt reserves	Proportion of accrual (%)
Within 1 year	593,259,629.79	29,662,981.49	5
1-2 years	17,952,352.35	1,795,235.24	10
2-3 years	39,854,113.41	11,956,234.02	30
3-4 years	879,749.00	439,874.50	50
4-5 years			
Over 5 years	244,938.50	244,938.50	100
Total	652,190,783.05	44,099,263.75	

Recognition standard and description of bad debt accrued by combination:

Applicable Not applicable

Accrual of bad debt reserves according to the account age and expected credit loss rate

If the bad debt reserve is accrued according to the general model of expected credit loss, please refer to the disclosure of other receivables:

Applicable Not applicable

(3). Reserves for bad debts

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Beginning balance	Current change amount				Ending balance
		Accrual	Recovery or reversal	Resale or writing off	Other changes	
Bad debt reserve of accounts receivable	24,118,753.14	20,789,234.78				44,907,987.92
Total	24,118,753.14	20,789,234.78				44,907,987.92

In which, the amount of bad debt reserves recovered or reversed in the current period is important:

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

On June 30, 2020, the total amount of the top five receivables of ending balance collected by debtors was 296,949,003.67 yuan, accounting for 45.47% of the total ending balance of the accounts receivable, and the corresponding total ending balance of accrued bad debt reserves was 14,847,450.18 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 instructions:

Applicable Not applicable

6. Receivables financing

Applicable Not applicable

7. Prepayments

(1). Prepayments presented by account receivable age

Applicable Not applicable

Unit: Yuan Currency: RMB

Aging	Ending balance		Beginning balance	
	Amount	Proportion(%)	Amount	Proportion(%)
Within 1 year	660,720,249.08	99.14	177,788,323.70	96.40
1-2 years	4,745,082.66	0.71	5,650,872.70	3.06
2-3 years	806,864.39	0.12	806,864.40	0.44
Over 3 years	180,964.75	0.03	180,964.70	0.10
Total	666,453,160.88	100.00	184,427,025.50	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

On June 30, 2020, the total amount of prepayment of the top five in the ending balance collected by the debtor was 467,194,460.34 yuan, accounting for 70.1% of the total ending balance of the prepayment.

Other description

Applicable Not applicable

8. Presentation of other receivables

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Interest receivable		
Dividends receivable	75,037,985.75	524,516,294.16
Other receivables	4,665,859,202.89	4,328,994,301.39
Total	4,740,897,188.64	4,853,510,595.55

Other instructions:

 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 instructions:

 Applicable Not applicable**Dividends receivable****(1). Dividends receivable** Applicable Not applicable

Unit: Yuan Currency: RMB

Project (or invested entity)	Ending balance	Beginning balance
Evergrande Real Estate Group Co., Ltd.		524,516,294.16
Jinan Changying Transportation Infrastructure Investment Fund Partnership	75,037,985.75	

Total	75,037,985.75	524,516,294.16
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(2). Important dividends receivable with an age of over one year

Applicable Not applicable

(3). Accrual of bad debt reserves

Applicable Not applicable

Other instructions:

Applicable Not applicable

Other receivables**(4). Disclosure by account receivable age**

Applicable N/A

Unit: Yuan Currency: RMB

Aging	Ending book balance
Sub-total within 1 year	3,462,756,387.59
1-2 years	968,049,774.54
2-3 years	5,667,573.50
Over 3 years	17,351,066.22
3-4 years	5,780,650.28
4-5 years	520,280,508.83
Over 5 years	4,979,885,960.96
Total	9,959,771,921.92

(5). Classification by the nature of receivables

Applicable Not applicable

Unit: Yuan Currency: RMB

Nature of receivables	Ending book balance	Beginning book balance
Intercourse funds	4,168,009,033.19	4,071,566,769.61

Toll split	110,006,086.68	150,838,296.07
Payment of Kenxin Project (Note 1)	305,533,879.36	305,533,879.36
Payment of Shanghai Zhida Technology (Group) Co., Ltd. (note 2)	53,047,511.82	56,581,703.19
Rural workers' wages, bid bonds, etc.	24,030,971.02	184,080.59
Trustee fee	313,558,478.89	
Land bidding and maturing deposit	5,700,000.00	5,700,000.00
Total	4,979,885,960.96	4,590,404,728.82

Note 1: As of June 30, 2020, the balance of receivables from Kenxin Project was 305,533,900 yuan. According to the relevant agreement signed by Shandong Hi-speed (Shenzhen) Investment Co., Ltd. (hereinafter referred to as "Shenzhen Company"), a subsidiary of the company, and Shenzhen Kenxin Group Co., Ltd (hereinafter referred to as "Shenzhen Kenxin") and its affiliated enterprises (collectively referred to as "Kenxin Group"), Kenxin Group provides 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% shares of Hunan Hengshao Expressway Co., Ltd. (hereinafter referred to as "Hunan Hengshao") from Shanghai Zhida Technology (Group) Co., Ltd., Shanghai Zhida Industry Co., Ltd. and Shanghai Zhida Construction Development Co., Ltd. (hereinafter referred to as "Shanghai Zhida"). As of June 30, 2020, the receivable amount of Shanghai Zhida was 53,047,511.82 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.

(6). Accrual of bad debt reserves

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

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 (with credit impairment occurred)	
January 1, 2020 Balance	53,784,148.23	297,437.34	207,328,841.86	261,410,427.43

January 1, 2020 Balance in the current period				
- into Phase II				
- into Phase III				
- back to Phase II				
- back to Phase I				
Accrual in current period	52,616,330.64			52,616,330.64
Amount reversed in current period				
Amount resold in current period				
Amount written off in current period				
Other changes				
June 30, 2020 Balance	106,400,478.87	297,437.34	207,328,841.86	314,026,758.07

Explanation for significant changes in book balance of other receivables with changes in loss reserves in the current period:

Applicable Not applicable

Basis for the adoption of the accrual amount of bad debt reserves in the current period and the assessment of whether the credit risk of financial instruments has increased significantly:

Applicable Not applicable

(7). Accrual of bad debt reserves

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Beginning balance	Current change amount				Ending balance
		Accrual	Recovery or reversal	Resale Writing off	Other changes	

Bad debt reserves of other receivables	261,410,427.43	52,616,330.64				314,026,758.07
Total	261,410,427.43	52,616,330.64				314,026,758.07

In which, the amount of bad debt reserves reversed or recovered in the current period is important:

Applicable Not applicable

(8). Other receivables actually written off in the current period

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Company name:	Nature of receivables	Ending balance	Aging	Proportion in total ending balance of other receivables (%)	Ending balance of bad debt reserves
Shandong Hi-Speed Xicheng Property Co., Ltd.	Intercourse funds	2,726,756,822.17	Within 1 year	54.76	
Jinan Puyuan Property Co., Ltd.	Intercourse funds	563,750,126.73	1-2 years	11.32	
Shenzhen Litianjun Supply Chain Co., Ltd.	Receivables of Kenxin Project	305,533,879.36	Over 5 years	6.14	201,295,159.36
Shandong Hi-Speed Group Co., Ltd.	Railway trustee fee	118,929,148.37	Within 1 year	2.39	
Hubei Expressway Network Toll Center	Toll split	73,181,493.76	Within 1 year	1.47	
Total	/	3,788,151,470.39	/	76.08	201,295,159.36

(10). Receivables related to government subsidies

Applicable Not applicable

(11). Other receivables derecognized due to transfer of financial assets

Applicable Not applicable

(12). Amount of assets and liabilities formed by transferring other receivables and continuing involvement

Applicable Not applicable

Other instructions:

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan Currency: RMB

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	57,198,209.86	301,882.10	56,896,327.76	44,836,017.05	301,882.10	44,534,134.95
Finished goods	81,608,724.67	403,403.60	81,205,321.07	114,810,969.01	403,403.60	114,407,565.41
Engineering construction	83,672,971.07		83,672,971.07	164,016,085.12		164,016,085.12
Goods in process	3,411,393.46		3,411,393.46			

Goods in transit	352,181.57		352,181.57	36,944,579.48		36,944,579.48
Entrusted processing materials				243,062.89		243,062.89
Development costs	1,514,590,052.00		1,514,590,052.00	1,514,388,124.02		1,514,388,124.02
Products development	37,637,757.78		37,637,757.78	38,540,303.78		38,540,303.78
Others	2,568,156.54		2,568,156.54	1,841,565.30		1,841,565.30
Total	1,781,039,446.95	705,285.70	1,780,334,161.25	1,915,620,706.65	705,285.70	1,914,915,420.95

(2) Falling price reserve of inventory and impairment reserves of contract performance cost√Applicable Not applicable

Unit: Yuan Currency: RMB

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					301,882.10
Finished goods	403,403.60					403,403.60
Total	705,285.70					705,285.70

(3) The ending balance of inventory includes the capitalization amount of loan cost Applicable Not applicable**(4) Explanation for the current amortization amount of contract performance costs** Applicable Not applicable

Other instructions:

 Applicable Not applicable**10. Contract assets****(1). Contract assets** Applicable Not applicable**(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

Other instructions:

 Applicable Not applicable**11. Asset held for sale** Applicable Not applicable**12. Non-current assets due within one year**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Zhongteng global investment project (Note 1)	88,000,000.00	88,000,000.00
Project of Shanghai Weishi Investment Management Co., Ltd. (Note 2)	115,940,300.00	

Loan project of Haiyi Liwei Investment Co., Ltd. (Note 3)	32,000,000.00	
Total	235,940,300.00	88,000,000.00

Important debt investment and other debt investment at the end of the period:

Applicable Not applicable Other instructions:

Note 1: The project is a debt investment with a maturity date of December 26, 2020, and an effective interest rate of 10%.

Note 2: The project is a debt investment with a maturity date of April 4, 2021, and an effective interest rate of 10%.

Note 3: The project is a debt investment with a maturity date of June 28, 2021, and an effective interest rate of 10%.

13. Other current assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Prepaid income tax of the enterprise	2,922,951.46	30,006,319.05
Input tax to be deducted	148,249,952.24	72,464,306.67
Guangkai financial leasing debt investment project	74,500,000.00	74,500,000.00
Project of Qingdao Wudaokou New Energy Vehicle Industry Fund		1,000,000,000.00
Others		879,703.77
Total	225,672,903.70	1,177,850,329.49

Other instructions:

None.

14. Debt investment

(1). Debt investment

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
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	1,500,000,000.00		1,500,000,000.00	1,500,000,000.00		1,500,000,000.00
Project of Shanghai				223,507,600.00		223,507,600.00

Weishi Investment Management Co., Ltd.						
Loan project of Haiyi Liwei Investment Co., Ltd.				32,000,000.00		32,000,000.00
Jinan Changying Jinyu investment partnership (limited partnership) loan project	33,000,000.00		33,000,000.00	33,000,000.00		33,000,000.00
Total	2,033,000,000.00		2,033,000,000.00	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: RMB

Item	Ending balance				Beginning balance			
	Face value	Nominal interest rate	Actual interest rate	Expiry date	Face value	Nominal interest rate	Actual interest rate	Expiry date
Capital contribution by BOE Trust	500,000,000.00	8.50%	8.50%	2022-12-31	500,000,000.00	8.50%	8.50%	2022-12-31
Weifang Shangao new and old kinetic energy conversion fund project	1,500,000,000.00	15.00%	15.00%	2023-12-01	1,500,000,000.00	15.00%	15.00%	2023-12-01
Project of Shanghai Weishi Investment Management Co., Ltd.					223,507,600.00	10.00%	10.00%	2021-04-04
Loan project of Haiyi Liwei Investment Co., Ltd.					32,000,000.00	10.00%	10.00%	2021-06-28
Jinan	33,000,000.00	10.00	10.00	2022	33,000,000.00	10.00	10.00	2022

Changying Jinyu investment partnership (limited partnership) loan project		%	%	-12-30		%	%	-12-30
Total	2,033,000,000.00	/	/	/	2,288,507,600.00	/	/	/

(3). Accrual of impairment reserves

Applicable Not applicable

15. Other debt investment**(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

Other instructions:

Applicable Not applicable

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

Applicable Not applicable

(2) Accrual of bad debt reserves

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other instructions:

Applicable Not applicable

17. Long-term equity investment

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

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		
I. Joint venture										
Shandong Hi-Speed Changing Equity Investment Management Co., Ltd.	56,522,735.67			62,822.55						56,585,558.22
Subtotal	56,522,735.67			62,822.55						56,585,558.22
II. Associated enterprises										
Shandong Hi-Speed Yingli New Energy Co., Ltd.	23,993,777.36			-1,277,743.05						22,716,034.31
Shandong Hi-Speed Engineering Consulting Co., Ltd.	61,883,479.57			6,465,396.96						68,348,876.53
Shandong High-Speed Logistics Group Co., Ltd.	692,500,766.48			17,422,492.56						709,923,259.04
Shandong Environmental Protection Industry Co., Ltd.	8,616,004.04			-450,709.06						8,165,294.98
Dongxing Securities Company, Ltd.	2,372,539,748.49			41,091,685.00						2,413,631,433.49

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Weihai City Commercial Bank	2,659,454,352.14			102,882,519.55		43,049,665.45	69,395,798.70			2,735,990,738.44	
Fujian Longma Environmental Sanitation Equipment Co., Ltd.	414,739,204.41			5,000,000.00			4,134,026.52			415,605,177.89	
Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	3,226,403.74			-109,926.88						3,116,476.86	
Jinan Puyuan Property Co., Ltd.	1,273,014,455.42			-1,919,643.52						1,271,094,811.90	
Shenzhen zhongran Fund Management Co., Ltd.	9,059,283.85			37,867.08						9,097,150.93	
Shandong Hi-Speed Green Ecology Development Co., Ltd.	18,773,771.68			-559,569.50						18,214,202.18	
Jinan Changying transportation infrastructure investment fund partnership (limited partnership)	2,134,508,339.14			74,642,883.02			75,037,985.75			2,134,113,236.41	
Shandong Hi-Speed Jinan Investment Co., Ltd.	641,471,800.00			-12,021,236.74						629,450,563.26	
Shandong Hi-Speed Zhongke Incubation Management Co.,	500,000.00			-66,410.78						433,589.22	

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Ltd.											
Jinan Changying Jintai Equity Investment Fund Partnership (limited partnership)	56,700,000.00			-14,170.64						56,685,829.36	
Guiyang zhongyun copyright industry fund partnership (limited partnership)	47,226,363.41			320,791.57						47,547,154.98	
Shandong Saiwei Anxun Information Technology Co., Ltd.	34,570,411.47			-1,849,443.69						32,720,967.78	
Jinan Changying Jinyu Investment Partnership (limited partnership)	7,000,000.00									7,000,000.00	
Shanghai Jinghai Enterprise Management Center (limited partnership)	240,350,000.00			-3,417,721.05						236,932,278.95	
Shandong Lingang Shugang Rail Transit Co., Ltd.	120,000,000.00	280,000,000.00								400,000,000.00	
Shandong High-Speed (Henan) Maintenance Technology Co., Ltd.		16,530,000.00								16,530,000.00	
Subtotal	10,820,128,161.20	296,530,000.00		226,177,060.83		43,049,665.45	148,567,810.97			11,237,317,076.51	

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Total	10,876,650,896.87	296,530,000.00		226,239,883.38		43,049,665.45	148,567,810.97			11,293,902,634.73	
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Other description

None.

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

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

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 Hi-Speed New Material Technology Co., Ltd.	16,000,000.00	
Shandong Railway Construction Investment Co., Ltd.	300,000,000.00	300,000,000.00
Shandong Weilai High Speed Railway Co., Ltd.	31,626,837.00	31,626,837.00
Total	365,241,523.36	354,424,450.19

(2). Investment on non-tradable equity instruments

□ Applicable √ Not applicable

Other instructions:

□ Applicable √ Not applicable

19. Other non-current financial assets

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Equity investment by Evergrande Real Estate Group Co., Ltd.	5,000,000,000.00	5,000,000,000.00
Yike Tower Investment Project	563,893,198.11	563,893,198.11
Specific Assets Support Plan for South Cement Company Limited	35,709,250.00	35,709,250.00
Specific Assets Support Program of BOCOM Schroders	38,563,162.01	68,331,941.10
CSCEC Shared No. 35 Fund Program	150,000,000.00	
MCC CCB No.1 Privately Offered Fund Program	185,980,000.00	
Total	5,974,145,610.12	5,667,934,389.21

Other instructions:

None.

20. Investment real estate

Measurement model of investment real estate

(1). Investment real estate with cost measurement model

Unit: Yuan Currency: RMB

Item	Houses and buildings	Total
I. Original book value		
1. Beginning balance	843,934,668.41	843,934,668.41
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	845,253,786.76	845,253,786.76
II. Total accumulated depreciation and accumulated amortization		
1. Beginning balance	113,823,635.28	113,823,635.28
2. Amount increased in the current period	15,706,676.30	15,706,676.30
(1) Accrual or amortization	15,706,676.30	15,706,676.30
3. Amount decreased in the current period		
(1) Disposal		
(2) Other transfers		
4. Ending balance	129,530,311.58	129,530,311.58
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	715,723,475.18	715,723,475.18
2. Beginning book value	730,111,033.13	730,111,033.13

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

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Book value	Reason for not being granted property right certificates
Buildings	25,600,896.86	In progress

Other description

□ Applicable √ Not applicable

21. Presentation of fixed assets

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Fixed assets	8,908,815,037.06	9,623,823,618.56

Disposal of fixed assets		
Total	8,908,815,037.06	9,623,823,618.56

Other instructions:

None

Fixed assets**(1). Fixed assets**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Road property	Houses and Buildings	Mechanical equipment	Transport equipment	Electronic, electrical and communication equipment	Instruments and standard measuring apparatus	Other Equipment	Total
I. Original book value:								
1. Beginning balance	12,358,764,810.81	3,538,486,016.77	327,998,603.62	522,856,199.85	1,491,738,689.75	24,212,814.99	79,184,563.35	18,343,241,699.14
2. Amount increased in the current period		1,046,742.61	1,618,396.12	4,140,455.63	1,981,002.76	60,956.11	2,200,819.26	11,048,372.49
1) Purchase		1,046,742.61	1,618,396.12	4,140,455.63	1,981,002.76	60,956.11	2,200,819.26	11,048,372.49
2) Construction in progress transferred								
3) Business combination increased								
3. Amount decreased in the current period	219,871,044.88	64,422,168.37	78,688,544.70	2,353,662.94	2,591,929.92	550,104.61	1,234,264.23	369,711,719.65
1) Disposal or scrap	211,343,167.72		4,760.00	1,238,674.00	1,593,457.35		672,912.29	214,852,971.36
2) Other decreases								

	8,527,877.16	64,422,168.37	78,683,784.70	1,114,988.94	998,472.57	550,104.61	561,351.94	154,858,748.29
4. Ending balance	12,138,893,765.93	3,475,110,591.01	250,928,455.04	524,642,992.54	1,491,127,762.59	23,723,666.49	80,151,118.38	17,984,578,351.98
II. Accumulated depreciation								
1. Beginning balance	6,831,031,130.42	730,683,147.73	151,068,768.79	388,829,145.15	537,936,773.25	11,563,635.07	68,305,480.17	8,719,418,080.58
2. Amount increased in the current period	294,821,971.59	47,850,984.12	8,598,555.00	14,965,023.38	105,162,222.24	3,438,459.01	1,463,680.38	476,300,895.72
1) Accrual	294,821,971.59	47,850,984.12	8,598,555.00	14,965,023.38	105,162,222.24	3,438,459.01	1,463,680.38	476,300,895.72
2) Business combination increased								
3. Amount decreased in the current period	102,591,822.37	3,540,976.91	10,336,198.62	1,418,228.57	1,160,157.71	174,590.84	733,686.36	119,955,661.38
1) Disposal or scrap	102,591,822.37	607,062.24	4,522.00	1,180,492.30	974,585.44	0.00	644,460.88	106,002,945.23
2) Other decreases		2,933,914.67	10,331,676.62	237,736.27	185,572.27	174,590.84	89,225.48	13,952,716.15
4. Ending balance	7,023,261,279.64	774,993,154.94	149,331,125.17	402,375,939.96	641,938,837.78	14,827,503.24	69,035,474.19	9,075,763,314.92
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	5,115,632,486.29	2,700,117,436.07	101,597,329.87	122,267,052.58	849,188,924.81	8,896,163.25	11,115,644.19	8,908,815,037.06
2. Beginning book value	5,527,733,680.39	2,807,802,869.04	176,929,834.83	134,027,054.70	953,801,916.50	12,649,179.92	10,879,083.18	9,623,823,618.56

(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: RMB

Item	Ending book value
Buildings	10,523,112.84
Machinery equipment	445,375.08

(5). Fixed assets with unavailable property right certificate

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Book value	Reason for not being granted property right certificates
Road property	33,889,357.72	In progress
Houses and Buildings	80,243,824.39	In progress

Other instructions:

Applicable Not applicable

Disposal of fixed assets

Applicable Not applicable

22. Presentation of construction in process

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Construction in process	3,635,582,551.38	2,321,215,695.29
Engineering material		
Total	3,635,582,551.38	2,321,215,695.29

Other instructions:

None.

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Shouping railway				127,147,000.00		127,147,000.00

Mine of Linqu mining branch	46,627,055.35		46,627,055.35	29,935,404.27		29,935,404.27
Zhonglan railway	16,543,948.01		16,543,948.01	16,489,338.18		16,489,338.18
Single apartment building for locomotive depot	5,572,936.82		5,572,936.82	2,256,134.43		2,256,134.43
Expansion and reconstruction of Dalailong railway	798,365,579.42		798,365,579.42	556,718,096.94		556,718,096.94
Steel structure pre-repair shed				314,078.74		314,078.74
Plane vehicle light display equipment	1,162,010.01		1,162,010.01	1,162,010.01		1,162,010.01
Green industrial park	3,488,250.97		3,488,250.97	3,375,300.76		3,375,300.76
Production line				11,660,319.85		11,660,319.85
Reconstruction and expansion of Jingtai Expressway	2,451,519,963.27		2,451,519,963.27	1,390,342,323.00		1,390,342,323.00
Reconstruction and expansion project of Jinan-Qingdao Expressway	66,142,522.97		66,142,522.97			
Reconstruction and upgrading project of Jilai expressway service area	61,427,410.30		61,427,410.30			
Reconstruction project of Jinghu expressway tunnel section	72,637,476.85		72,637,476.85	72,637,476.85		72,637,476.85

Weilai expressway assets transformation project	41,840,386.80		41,840,386.80	41,840,386.80		41,840,386.80
Provincial toll station reconstruction project	28,340,667.12		28,340,667.12	27,181,361.90		27,181,361.90
Widening and reconstruction of Ganggou toll station	17,513,282.91		17,513,282.91	16,629,812.91		16,629,812.91
Tunnel upgrading project	9,652,987.40		9,652,987.40	9,652,987.40		9,652,987.40
Zhongxiang management office complex building project, etc.	4,984,712.30		4,984,712.30	4,984,712.30		4,984,712.30
Others	9,763,360.88		9,763,360.88	8,888,950.95		8,888,950.95
Total	3,635,582,551.38		3,635,582,551.38	2,321,215,695.29		2,321,215,695.29

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

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

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: Amount of interest capitalized in current period	Capitalization rate of current interest (%)	Capital source
Widening and reconstruction of Ganggou toll station	23,092,283.03	16,629,812.91	883,470.00			17,513,282.91	75.84	75.84				Self-finance
Reconstruction project of Jinghu expressway tunnel section	74,893,482.25	72,637,476.85				72,637,476.85	96.99	96.99				Self-finance
Reconstruction and expansion of Jingtai Expressway	11,904,333,557.00	1,390,342,323.00	1,061,177,640.27			2,451,519,963.27	20.59	20.59	47,409,935.16	39,392,961.33	4.41	Loans and own funds

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Reconstruction and upgrading project of Jilai expressway service area	205,240,000.00		61,427,410.30			61,427,410.30	29.93	29.93				Self-finance
Weilai expressway assets transformation project	46,965,074.63	41,840,386.80				41,840,386.80	98.79	98.79				Self-finance
Expansion and reconstruction of Dalailong railway	4,520,000,000.00	556,718,096.94	241,647,482.48			798,365,579.42	17.66	17.66	18,512,875.50	11,105,277.78	4.68	Loans and own funds
Total	16,774,524,396.91	2,078,168,096.50	1,365,136,003.05			3,443,304,099.55	/	/	65,922,810.66	50,498,239.11	/	/

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

Applicable Not applicable

Other description

Applicable Not applicable

Engineering material

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 description

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: RMB

Item	Land use rights	Toll road franchise	Office software	Others	Total
I. Original book value					
1. Beginning balance	1,757,940,335.51	47,778,171,656.16	71,185,304.06	457,018,601.94	50,064,315,897.67
2. Amount increased in the current period	809,185,846.21		664,849.12	64,319.32	809,915,014.65
(1) Purchase			664,849.12	64,319.32	729,168.44
(2) Internal R&D					
(3) Business combination increased					
(4) Others	809,185,846.21				809,185,846.21
3. Amount decreased in the current period					
(1) Disposal					
(2) Others					
4. Ending balance	2,567,126,181.72	47,778,171,656.16	71,850,153.18	457,082,921.26	50,874,230,912.32
II. Accumulated amortization					
1. Beginning balance	683,192,149.57	6,986,891,297.60	37,518,719.29	40,824,683.68	7,748,426,850.14
2. Amount increased in the current period	29,451,820.90	630,722,160.28	4,731,947.54	8,091,801.42	672,997,730.14
(1) Accrual	29,451,820.90	630,722,160.28	4,731,947.54	8,091,801.42	672,997,730.14
(2) Business combination increased					
3. Amount decreased in the current period					
(1) Disposal					
(2) Others					
4. Ending balance	712,643,970.47	7,617,613,457.88	42,250,666.83	48,916,485.10	8,421,424,580.28

III. Impairment reserves					
1. Beginning balance					
2. Amount increased in the current period					
(1) Accrual					
3. Amount decreased in the current period					
(1) Disposal					
4. Ending balance					
IV. Book value					
1. Ending book value	1,854,482,211.25	40,160,558,198.28	29,599,486.35	408,166,436.16	42,452,806,332.04
2. Beginning book value	1,074,748,185.94	40,791,280,358.56	33,666,584.77	416,193,918.26	42,315,889,047.53

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

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

Applicable Not applicable

Other instructions:

Applicable Not applicable

27. Development expenditure

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 instructions:

Applicable Not applicable

29. Long-term deferred expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Amount increased in the current period	Amortization amount in the current period	Other decreased amount	Ending balance
Land compensation fee	216,496.83		2,919.00		213,577.83
Land leasing fee	157,500.00		10,500.00		147,000.00
Renovation costs	1,499,423.29		495,720.48		1,003,702.81
Others	6,250,134.00		169,998.00		6,080,136.00
Total	8,123,554.12		679,137.48		7,444,416.64

Other instructions:

None.

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

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Deductible loss	275,495,968.28	68,873,992.07	275,495,968.28	68,873,992.07
Demolition loss	1,245,810,060.69	311,452,515.18	1,245,810,060.69	311,452,515.18
Deferred Income	300,000,000.00	75,000,000.00	300,000,000.00	75,000,000.00
Asset impairment reserves	352,816,957.10	85,220,747.94	279,411,391.68	67,774,825.76
Dismissal benefits	278,191,951.50	69,547,987.87	262,096,407.63	65,524,101.91
Internally unrealized profits	57,263,322.38	13,065,794.45	57,263,322.38	13,065,794.45
Estimated liabilities	75,092,626.46	18,773,156.62	74,116,670.08	18,529,167.52
Total	2,584,670,886.41	641,934,194.13	2,494,193,820.74	620,220,396.89

(2). Deferred income tax liabilities not being offset

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

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	2,567,006,598.40	641,751,649.60	2,581,406,598.40	645,351,649.60
Depreciation and amortization of long-term assets	1,010,343,743.94	252,585,935.99	1,029,582,613.96	257,395,653.49
Total	3,577,350,342.34	894,337,585.59	3,610,989,212.36	902,747,303.09

(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: RMB

Item	Ending balance	Beginning balance
Deductible temporary differences	7,962,374.90	7,962,374.90
Deductible loss	1,595,257,260.19	1,595,257,260.19
Total	1,603,219,635.09	1,603,219,635.09

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

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Year	Ending amount	Beginning amount	Note
2020	317,803,240.98	317,803,240.98	
2021	261,797,589.14	261,797,589.14	
2022	274,747,002.70	274,747,002.70	
2023	359,917,954.06	359,917,954.06	
2024	380,991,473.31	380,991,473.31	
Total	1,595,257,260.19	1,595,257,260.19	/

Other instructions:

 Applicable Not applicable**31. Other non-current assets** Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Advance payment for project	2,652,247,337.85		2,652,247,337.85	2,131,353,751.99		2,131,353,751.99
Advance payment for land	1,800,000.00		1,800,000.00	1,800,000.00		1,800,000.00
Total	2,654,047,337.85		2,654,047,337.85	2,133,153,751.99		2,133,153,751.99

Other instructions:

None.

32. Short-term loans**(1). Classification of short-term loans** Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Pledge borrowing		
Mortgage loan		
Guaranteed loan		
Credit loan	1,446,003,111.67	572,762,465.75
Total	1,446,003,111.67	572,762,465.75

Description of short-term loan classification:

None.

(2). Overdue and unpaid short-term loans

Applicable Not applicable

Other instructions:

Applicable Not applicable

33. Trading financial liabilities

Applicable Not applicable

34. Derivative financial liabilities

Applicable Not applicable

35. Notes payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Variety	Ending balance	Beginning balance
Commercial acceptance bill	39,438,206.66	
Bank acceptance bill	121,992,756.25	33,211,430.37
Total	161,430,962.91	33,211,430.37

At the end of the current period, the total amount of notes payable due and unpaid is 0 yuan.

36. Accounts payable

(1). Presentation of accounts payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Accounts payable	2,939,254,508.27	4,993,276,757.09
Total	2,939,254,508.27	4,993,276,757.09

(2). Important accounts payable with account receivable age over one year

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Reasons for non-payment or carry forward
Yantai Railway Construction Administration	97,562,800.00	Unsettled
Weifang Local Railway Administration	32,214,148.00	Unsettled
Total	129,776,948.00	/

Other instructions:

Applicable Not applicable

37. Advance receipt

(1). Presentation of advance receipt

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Advance receipt	202,159,235.46	263,755,294.16
Total	202,159,235.46	263,755,294.16

(2). Important advance receipts with account receivable age over one year

Applicable Not applicable

Other instructions:

Applicable Not applicable

38. Contract liabilities**(1). Contract liabilities**

Applicable Not applicable

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

Applicable Not applicable

Other instructions:

Applicable Not applicable

39. Payroll payable**(1). Presentation of payroll payable**

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
I. Short-term payroll	87,860,737.28	529,214,463.17	575,557,774.44	41,517,426.01
II. Post-employment benefits - defined contribution plan	504,826.15	54,457,742.80	53,367,244.87	1,595,324.08
III. Dismissal benefits				
IV. Other benefits due within one year				
Total	88,365,563.43	583,672,205.97	628,925,019.31	43,112,750.09

(2). Short-term payroll

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
I. Wage, bonus, allowance and subsidy	42,941,480.36	405,610,858.87	448,552,339.23	
II. Welfare benefits payable	50,202.72	31,123,008.71	31,070,423.13	102,788.30
III. Social insurance premium	13,032,444.81	34,467,342.86	37,096,822.00	10,402,965.67
Including: Medical insurance premium	32,676.75	24,174,252.82	24,206,929.57	

Work-related injury insurance premium	2,278.77	1,810,072.87	1,812,351.64	
Maternity insurance premium	3,630.75	936,951.14	940,581.89	
Supplementary medical insurance	12,993,858.54	7,546,066.03	10,136,958.90	10,402,965.67
IV. Housing provident fund	43,569.00	48,442,636.25	48,486,205.25	
V. Labor union funds and employee education funds	31,636,997.37	9,570,616.48	10,351,984.83	30,855,629.02
VI Short-term paid absences				
VII. Short-term profit sharing plan				
VIII. Other short-term payroll	156,043.02			156,043.02
Total	87,860,737.28	529,214,463.17	575,557,774.44	41,517,426.01

(3). Presentation of defined contribution plan

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
1. Basic endowment insurance	67,063.20	29,774,246.44	29,841,309.64	
2. Unemployment insurance premium	2,541.40	1,226,904.16	1,229,445.56	
3. Payment of enterprise annuity	435,221.55	23,456,592.20	22,296,489.67	1,595,324.08
Total	504,826.15	54,457,742.80	53,367,244.87	1,595,324.08

Other instructions:

□ Applicable √ Not applicable

40. Taxes payable

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Enterprise income tax	78,957,493.45	619,540,851.59
VAT	97,872,661.73	78,898,285.13
Individual income tax	4,484,708.75	6,468,550.11
Real estate tax	4,544,587.07	5,532,340.89
Urban construction tax	6,044,995.33	6,435,938.30
Education surcharge	5,141,349.25	4,343,524.57
Land use tax	779,046.76	1,784,155.98
Stamp duty	587,085.78	5,090,635.80
Value-added tax on land	10,632,887.68	35,512,966.90
Others	754,610.70	765,539.63
Total	209,799,426.50	764,372,788.90

Other instructions:

None.

41. Presentation of other payables√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Dividends payable	1,858,445,236.28	24,999,731.51
Other payables	5,534,368,206.15	2,648,717,308.90
Total	7,392,813,442.43	2,673,717,040.41

Other instructions:

None.

Interest payable Applicable Not applicable**Dividends payable**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Common stock dividends	1,858,445,236.28	24,999,731.51
Total	1,858,445,236.28	24,999,731.51

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). Presentation of other payable according to payment nature**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Project funds	266,949,644.69	193,032,596.67
Current accounts and advances on behalf of others	2,132,816,420.77	2,003,759,984.34
Current accounts of related parties outside the scope of consolidation	1,557,907,882.51	146,362,441.56
Collection for others	83,716,499.94	41,858,249.97
Project security	99,274,431.22	46,208,183.67
Equity transfer payable	1,363,282,709.16	191,803,642.24
Others	30,420,617.86	25,692,210.45
Total	5,534,368,206.15	2,648,717,308.90

(2). Important other payables with account receivable age over one year√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Reasons for non-payment or carry forward
Shandong Railway Investment	416,348,633.94	Unsettled

Holding Group Co., Ltd.		
Shandong Hi-Speed Group Co., Ltd.	297,234,461.78	Unsettled
Henan JuKang Investment Co., Ltd.	122,204,464.16	Unsatisfied settlement conditions
Shanghai Zhida Technology (Group) Co., Ltd.	31,500,000.00	Unsatisfied settlement conditions
Total	867,287,559.88	/

Other instructions:

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: RMB

Item	Ending balance	Beginning balance
Long-term loan due within one year	3,197,429,828.24	2,602,845,589.70
Long-term payroll payable	48,699,234.17	49,264,116.76
	337,991,714.43	175,718,144.88
Total	3,584,120,776.84	2,827,827,851.34

Other instructions:

None.

44. Other current liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Ultra-short-term financing bond	4,019,210,972.37	2,514,549,315.05
Total	4,019,210,972.37	2,514,549,315.05

Increase and decrease of short-term bonds payable:

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

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
Phase I of ultra-short-term financing in 2020	100.00	2020/3/13	180 days	1,000,000,000.00		1,000,000,000.00	7,505,766.89			1,007,505,766.89
Phase II of ultra-short-term financing in 2020	100.00	2020/3/19	180 days	1,000,000,000.00		1,000,000,000.00	6,724,383.56			1,006,724,383.56
Phase III of ultra-short-term financing in 2020	100.00	2020/4/13	180 days	1,000,000,000.00		1,000,000,000.00	3,846,575.34			1,003,846,575.34
Phase IV of ultra-short-term financing in 2020	100.00	2020/6/8	270 days	1,000,000,000.00		1,000,000,000.00	1,134,246.58			1,001,134,246.58
Phase VII of ultra-short-term financing	100.00	2019/9/19	180 days	1,500,000,000.00	1,512,992,876.69		9,433,352.82		1,522,426,229.51	

in 2019										
Phase X of ultra- short- term financing in 2019	100.00	2019/12/13	180 days	1,000,000,000.00	1,001,556,438.36		13,148,479.67		1,014,704,918.03	
Total	/	/	/	6,500,000,000.00	2,514,549,315.05	4,000,000,000.00	41,792,804.86		2,537,131,147.54	4,019,210,972.37

Other instructions:

Applicable Not applicable

45. Long-term Loans

(1). Classification of long-term loans

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Pledge borrowing	24,008,028,527.04	24,119,080,000.00
Guaranteed loan	1,564,727,000.00	1,634,727,000.00
Credit loan	8,093,588,968.11	7,388,299,943.46
Total	33,666,344,495.15	33,142,106,943.46

Description of long-term loan classification: None.

Other instructions, including interest rate range:

Applicable Not applicable

The interest rate range of long-term loan is 1.2%-7%.

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 instructions:

Applicable Not applicable

47. Lease liabilities

Applicable Not applicable

48. Presentation of long-term payables

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Long-term payable		
Special payable	294,000,000.00	294,000,000.00
Total	294,000,000.00	294,000,000.00

Other instructions:

None.

Long-term payable

Applicable Not applicable

Special payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance	Causes
Special payable (Note 1)	294,000,000.00			294,000,000.00	
Total	294,000,000.00			294,000,000.00	/

Other instructions:

Note 1: The special payables are the special funds allocated by Shandong Provincial Department of Transportation for the construction of Jilai expressway project. 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 June 30, 2020, the investment proportion of Shandong Provincial Highway Bureau has yet to be determined, and no investment contract has been signed with the company.

49. Long-term payroll payable

Applicable Not applicable

(1) Long-term payroll payable

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Estimated expenditure for retired employee	258,449,029.84	242,396,564.49
Total	258,449,029.84	242,396,564.49

(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 instructions:

Applicable Not applicable

50. Estimated liabilities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Ending balance	Causes
Pending litigation	75,404,513.49	75,092,626.46	
Total	75,404,513.49	75,092,626.46	/

Other instructions, including important assumptions and estimation for important estimated liabilities:
None.

51. Deferred income

Deferred income

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance	Causes
Government subsidy	930,284,109.40	333,497,476.80	16,814,031.42	1,246,967,554.78	
Rental fees collected in advance	246,913,730.16			246,913,730.16	
Service charge collected in advance	1,572,327.04			1,572,327.04	
Total	1,178,770,166.60	333,497,476.80	16,814,031.42	1,495,453,611.98	/

Projects involved in government subsidies:

Applicable Not applicable

Unit: Yuan Currency: RMB

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					1,639,375.00	Asset related
Enterprise agglomeration support fund	5,000,000.00			5,000,000.00			Income related
Compensation for construction of interchange to zero point Interchange Section of Xiaoxujia hub of communication	300,000,000.00	313,976,662.50				613,976,662.50	Asset related
Special project fund for reconstruction of toll station of Lijin Yellow River Highway Bridge	10,680,000.00	13,672,814.30				24,352,814.30	Asset related
Removal of subsidies for provincial toll station		5,796,500.00				5,796,500.00	Income related
Subsidies for stabilizing posts		51,500.00				51,500.00	Income related
Shouguang government's special fund subsidy for Yidu-Yangkou Railway reconstruction project	559,092,633.38			9,576,923.00		549,515,710.38	Asset related

Office building demolition compensation	7,049,147.30			45,186.84		7,003,960.46	Asset related
Dalailong railway project construction	30,000,000.00			2,004,608.30		27,995,391.70	Asset related
Land rebate	16,822,953.72			187,313.28		16,635,640.44	Asset related

Other instructions:

Applicable Not applicable

52. Other non-current liabilities

Applicable Not applicable

53. Share capital

Applicable Not applicable

Unit: Yuan Currency: RMB

	Beginning balance	Increase and decrease of this change (+, -)					Ending balance
		New shares issue	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

The company and the Agricultural Bank of China Co., Ltd, as the client, has set up the Bohai trust • No.01 collective fund trust plan of CGI 2019, the trustee is Bohai International Trust Co., Ltd and signed the *Trust Contract of Bohai trust • No.01 collective fund trust plan of CGI 2019*. According to the trust contract, the trust plan has no fixed duration and the company has the power to control the trust plan.

(2) Statement of changes in preferred shares, perpetual bonds and other financial instruments issued at the end of the period

Applicable Not applicable

Unit: Yuan Currency: RMB

Outstanding financial instruments	Beginning		Increase in the Current Period		Decrease in the Current Period		Ending	
	Qty.	Book value	Qty.	Book value	Qty.	Book value	Qty.	Book value
Bohai trust plan		2,000,000,000.00						2,000,000,000.00
Total		2,000,000,000.00						2,000,000,000.00

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 instructions:

Applicable Not applicable

55. Capital reserves

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Capital premium (share premium)	4,836,763,252.70		2,436,440,813.89	2,400,322,438.81
Other capital reserves				
Total	4,836,763,252.70		2,436,440,813.89	2,400,322,438.81

Other descriptions, including the increase and decrease of the current period and the reasons for the change:

Due to the merger of the Rail Transit Group under the same control, the opening amount of the capital reserve was adjusted to 677,225,170.51 yuan. The decrease in this year was mainly due to the payment for the purchase of the equity transfer of the Rail Transit Group.

56. Treasury stock

Applicable Not applicable

57. Other comprehensive income√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Amount incurred in current period						Ending balance
		Accrual before the income tax in the current period	Minus: Amount included into other comprehensive income in previous period and transferred into loss and profit in current period	Minus: Amount included in other comprehensive income in the previous period and transferred to retained earnings in the current period	Minus: Income tax expense	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
Including: 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	43,049,665.45				43,049,665.45		53,002,748.03
Including: Other comprehensive incomes that can be converted into profits and losses under the equity method	9,953,082.58	43,049,665.45				43,049,665.45		53,002,748.03
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 difference in foreign currency statements								
Total of other comprehensive income	9,953,082.58	37,866,738.62				37,866,738.62		47,819,821.20

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: RMB

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Safe production costs	82,671,061.69	6,857,606.49		89,528,668.18
Total	82,671,061.69	6,857,606.49		89,528,668.18

Other descriptions, including the increase and decrease of the current period and the reasons for the change:
None.

59. Surplus reserves√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Beginning balance	Increase in the Current Period	Decrease in the Current Period	Ending balance
Statutory surplus reserves	3,164,742,776.43			3,164,742,776.43
Total	3,164,742,776.43			3,164,742,776.43

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: RMB

Item	Current period	Last year
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 -)	406,085,432.07	319,713,385.69
Undistributed profits at the beginning of the period after adjustment	18,381,877,261.99	16,596,431,516.85
Plus: Net profit attributable to owner of parent company	256,960,515.79	3,135,482,313.07
Minus: Withdrawn statutory surplus reserves		271,952,038.65
Withdrawn free surplus reserves		
Withdrawn general risk reserve		
Common stock dividends payable	1,828,243,025.66	1,078,084,529.28
Ordinary stock dividend transferred to equity		
Others	346,768,624.51	
Undistributed profits at the end of the period	16,463,826,127.61	18,381,877,261.99

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 0 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 change in the scope of consolidation caused by the same control, the undistributed profit at the beginning of the period is affected by 406,085,432.07 yuan.
5. The total amount of other adjustments affects the undistributed profit at the beginning of the period is 0 yuan.

61. Operating revenue and operating cost

(1). Operating revenue and operating cost

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period		Amount incurred in previous period	
	Income	Cost	Income	Cost
Main business	4,007,066,424.71	3,033,642,714.94	4,722,694,859.15	2,594,330,259.36
Other businesses	42,573,477.80	14,337,658.54	38,912,864.00	15,846,260.92
Total	4,049,639,902.51	3,047,980,373.48	4,761,607,723.15	2,610,176,520.28

(2). Incomes from contract

Applicable Not applicable

(3). Explanation for performance obligations

Applicable Not applicable

(4). Explanation for allocation to remaining performance obligations

Applicable Not applicable

Other instructions:

None.

62. Taxes and surcharges

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Urban maintenance and construction tax	11,812,754.42	15,435,943.16
Education surcharge	8,745,696.93	11,317,573.24
Resource tax	8,033.51	34,368.00
Real estate tax	6,720,791.02	6,887,278.99
Land use tax	2,587,982.01	2,827,605.05
Vehicle and vessel use tax	173,747.40	170,558.73
Stamp duty	1,361,653.91	1,204,964.16
Environmental protection tax	8,383.94	9,930.90

Others	1,208,973.75	2,189,189.78
Total	32,628,016.89	40,077,412.01

Other instructions:

None.

63. Sales expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Packing expense	1,688,157.60	1,100,573.61
Transport expense	37,412,482.19	20,746,726.71
Exhibition expense		197,283.96
Employee compensation	338,819.47	2,117,843.06
Business fund	722,974.68	896,726.98
Advertising expense	59,550.00	235,849.05
Others	12,244.71	372,069.81
Total	40,234,228.65	25,667,073.18

Other instructions:

None.

64. Management expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Employee compensation	111,490,051.00	124,747,880.71
Depreciation and amortization expenses	19,671,344.66	33,321,576.28
Vehicle usage fee	1,812,623.34	1,013,645.28
Agent fee	9,066,997.79	
Labor protection fee	5,946,232.16	
Others	31,960,292.02	41,040,134.64
Total	179,947,540.97	200,123,236.91

Other instructions:

None.

65. Research and development (R&D) expenses

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Research and development (R&D) expenses	13,734,019.00	4,611,801.62
Total	13,734,019.00	4,611,801.62

Other instructions:

None.

66. Finance expense√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Interest expense	836,914,128.53	572,838,717.00
Interest income	-205,779,848.48	-72,530,618.66
Others	347,525.89	1,400,557.21
Total	631,481,805.94	501,708,655.55

Other instructions:

None.

67. Other income√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Development fund for enterprises supported by the government		6,500,000.00
Government subsidies for engineering project	11,581,531.30	
Land compensation and other subsidies	12,630,090.77	187,313.28
Total	24,211,622.07	6,687,313.28

Other instructions: None.

68. Incomes from investment√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Long-term equity investment income calculated by the equity method	226,239,883.38	282,369,429.94
Investment income from disposal of long-term equity		
Investment income of trading financial assets during the holding period	27,597,231.55	524,516,294.16
Dividend income of other equity instrument investment during holding period		
Interest income of debt investment during holding period	230,335,152.04	78,209,135.68
Interest income of other debt investment during holding period		
Investment income from disposal of trading financial assets		6,615,000.00
Investment income from disposal of other equity instrument investment		
Investment income from disposal of debt investment		47,812,500.00
Investment income from disposal of		

other debt investment		
Total	484,172,266.97	939,522,359.78

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: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Bad debt loss of other receivables	-52,616,330.64	-23,803,174.00
Impairment loss of credit investment		
Impairment loss of other credit investment		
Bad debt loss of long-term receivables		
Impairment loss on contract assets		
Bad debt loss of accounts receivable	-20,789,234.78	-1,323,710.69
Reversal of prepaid impairment		6,000.00
Total	-73,405,565.42	-25,120,884.69

Other instructions: None.

72. Asset impairment loss

Applicable Not applicable

73. Incomes from disposal of assets

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Rail engineering asset disposal	-52,409,402.27	
Total	-52,409,402.27	

Other instructions:

Applicable Not applicable

74. Non-operating income

Applicable Not applicable

Unit: Yuan Currency: RMB

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	4,980,396.00	72,413.20	4,980,396.00
Including: Gains from disposal of fixed assets	4,980,396.00	72,413.20	4,980,396.00
Gains from disposal of intangible assets			
Gains from debt restructuring			
Gains from exchange of non-monetary assets			
Acceptance of donations			
Government subsidy	191,369.67	13,238,871.42	191,369.67
Income from highway assets and highway property compensations	7,808,623.42	9,137,996.57	7,808,623.42
Others	4,645,635.25	13,116,855.95	4,645,635.25
Total	17,626,024.34	35,566,137.14	17,626,024.34

Government subsidies included in current profit and loss

√Applicable Not applicable

Unit: Yuan Currency: RMB

Subsidy project	Amount incurred in current period	Amount incurred in prior period	Asset-related/income-related
Incentive funds, post allowance	191,369.67	2,645,600.00	Income related
Deferred income amortization of land compensation		10,593,271.42	Asset related

Other instructions:

 Applicable Not applicable**75. Non-operating expenses**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period	Amount recorded in non-recurring profits and losses of the current period
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Total of loss on disposal of non-current assets	2,261,332.97	1,561,033.11	2,261,332.97
Including: Loss from disposal of fixed assets	2,261,332.97	1,561,033.11	2,261,332.97
Loss from disposal of intangible assets			
Loss from debt restructuring			
Loss from exchange of non-monetary assets			
Donation			
Other losses	18,082,005.57	1,642,452.92	18,082,005.57
Total	20,343,338.54	3,203,486.03	20,343,338.54

Other instructions:

None.

76. Income tax expense

(1) Income tax expense

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Current income tax expense	181,678,794.11	615,843,913.88
Deferred income tax expense	-30,123,514.74	-21,294,119.34
Total	151,555,279.37	594,549,794.54

(2) Adjustment process of accounting profit and income tax expense

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period
Total profit	483,485,524.73
Income tax expense calculated according to legal/applicable tax rate	122,835,427.94
Impact of subsidiaries using different tax rates	-6,985,082.87
Effect of income tax before adjustment	9,525,658.17
Effect of non-taxable income	-58,524,017.61
Effect of non-deductible costs, expenses and losses	11,875,943.04
Effect of deductible loss of unrecognized deferred income tax assets in early use period	-30,123,514.74
Effect of unrecognized deductible temporary difference or deductible loss of deferred income tax assets of current period	102,950,865.44
Income tax expense	151,555,279.37

Other instructions:

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

(1). Other cash received related to operating activities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Government subsidy received	27,128,166.90	13,426,184.65
Current account and deposit	1,553,131,963.21	588,893,097.10
Income received from highway assets and highway property compensations	30,702,094.11	9,137,996.60
Interest income	83,176,342.98	
Others	153,871,869.08	
Total	1,848,010,436.28	611,457,278.35

Description of other cash received related to operating activities:

None.

(2). Other cash paid related to operating activities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Current account and deposit	188,914,917.32	721,897,294.87
Payment of advertising expense	16,529.90	1,273,833.75
Period expense	179,408,722.36	109,875,349.11
Others	6,492,903.83	
Total	374,833,073.41	833,046,477.73

Other cash paid related to operating activities:

None.

(3). Other cash received related to investment activities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Funds received from Shanghai Zhida	3,534,191.37	24,162,117.01
Interest received on loans of Jinan Puyuan		45,153,729.06
Compensation for construction of interchange to zero point Interchange	313,976,662.50	

Section of Xiaoxujia hub of communication		
Current accounts received in advance		13,099,728.99
Special investment funds received for project	891,518,887.32	
Total	1,209,029,741.19	82,415,575.06

Other cash received related to investment activities:

None.

(4). Other cash paid for investment activities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Pending investment for project construction		13,568,233.22
Intercourse funds		56,295,175.54
Total		69,863,408.76

Other cash paid for investment activities:

None.

(5). Other cash received related to fundraising activities

Applicable Not applicable

(6). Other cash paid related to fundraising activities

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Pay the rent and handling fee of the leaseback assets of after-sale financing		1,340,587.91
Others	4,422,433.70	11,391.78
Total	4,422,433.70	1,351,979.69

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: RMB

Supplementary data	Amount in current period	Amount in previous period
1. Adjust net profit to cash flows from operating activities:		
Net Profits	331,930,245.36	1,738,144,668.54
Plus: Asset impairment reserves		25,120,884.69
Credit impairment loss	-73,105,565.42	

Depreciation of fixed assets, loss of oil and gas assets and depreciation of productive biological assets	404,599,088.55	385,332,465.29
Amortization of right-of-use assets		
Amortization of intangible assets	660,436,540.26	329,923,492.31
Amortization of long-term prepaid expenses	665,718.48	665,786.57
Loss from disposal of fixed asset, intangible asset and other long-term asset (marked with "-" for earnings)	-55,614,945.40	1,488,619.91
Loss from retirement of fixed assets (earnings are listed with "-")	486,480.10	
Loss from fair value change (earnings are listed with "-")		
Financial expenses (earnings are listed with "-")	635,378,286.59	572,838,717.00
Investment losses (earnings are listed with "-")	-484,172,266.97	-939,522,359.78
Decrease in deferred income tax assets (increase is listed with "-")	-21,713,797.24	3,623,613.14
Increase in deferred income tax liabilities (decrease is listed with "-")	-8,409,717.50	-19,031,404.64
Decrease in inventories (increase is listed with "-")	134,607,232.92	-125,788,417.32
Decrease in operational receivables (increase is listed with "-")	-905,405,557.65	896,348,263.43
Increase in operational payables (decrease in listed with "-")	1,030,646,552.90	-341,111,909.07
Others		
Net cash flow from operating activities	1,650,328,294.98	2,528,032,420.07
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	2,748,615,839.34	5,890,906,989.62
Minus: Beginning balance of cash	2,325,841,659.54	2,341,913,200.47
Plus: Ending balance of cash equivalents		
Minus: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	422,774,179.80	3,548,993,789.15

(2) Net cash paid to acquire subsidiaries in the current period

Applicable Not applicable

(3) Net cash received to acquire subsidiaries in the current period

Applicable Not applicable

(4) Composition of cash and cash equivalents

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
I. Cash	2,748,615,839.34	2,325,841,659.54
Including: Cash in stock	55,855.54	146,872.71
Bank deposits that can be used for payment at any time	2,748,559,983.80	2,325,694,786.83
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		
Including: Bond investment due within three months		
Balance of ending cash and cash equivalents	2,748,615,839.34	2,325,841,659.54
Including: Cash and cash equivalents of parent company or group, which use right is restricted for subsidiaries		

Other instructions:

Applicable Not applicable

80. Notes to items of statement of changes in owner's equity

Explanation for 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 restricted by ownership or right of use

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending book value	Restriction reason
Monetary funds	23,243,780.84	Deposit
Intangible assets	30,772,330,972.28	Pledge borrowing
Total	30,795,574,753.12	/

Other instructions: 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 subsidy**1. Government subsidy**

Applicable Not applicable

Unit: Yuan Currency: RMB

Variety	Amount	Presented items	Amount included in the profit and loss of the current period
Special fund for energy saving and emission reduction	1,639,375.00	Deferred Income	
Enterprise agglomeration support fund	5,000,000.00	Other income	5,000,000.00
Compensation for construction of interchange to zero point Interchange Section of Xiaoxujia hub of communication	613,976,662.50	Deferred Income	
Special project fund for reconstruction of toll station of Lijin Yellow River Highway Bridge	24,352,814.30	Deferred Income	
Removal of subsidies for provincial toll station	5,796,500.00	Deferred Income	
Subsidies for stabilizing posts	790,313.65	Deferred Income	738,813.65
Shouguang government's special fund subsidy for Yidu-Yangkou Railway reconstruction project	549,515,710.38	Deferred Income	9,576,923.00
Office building demolition	7,003,960.46	Deferred Income	45,186.84

compensation			
Dalailong railway project construction	27,995,391.70	Deferred Income	2,004,608.30
Land rebate	16,635,640.44	Deferred Income	187,313.28
Support funds for headquarter enterprises	6,310,000.00	Other income	6,310,000.00
Financial subsidy for Linqu centralized payment center	300,000.00	Other income	300,000.00
Others	236,090.28	Other income	48,777.00
Others	191,369.67	Non-operating income	191,369.67

2. Return of government subsidy

Applicable Not applicable

Other description

None.

85. Others

Applicable Not applicable

VII. Changes in the combination scope

1. Business combination not under the same control

Applicable Not applicable

2. Business combination under same control

Applicable Not applicable

(1). Business combination under same control in the current period

Applicable Not applicable

Unit: Yuan Currency: RMB

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	Transfer of control right	2,115,627,471.93	181,832,760.37	1,552,817,659.15	78,700,611.50
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Other instructions:

None.

(2). Cost of business combination

Applicable Not applicable

Unit: Yuan Currency: RMB

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:

None.

Other instructions:

None.

(3). Book value of assets and liabilities of the combined party on the combination date

Applicable Not applicable

Unit: Yuan Currency: RMB

	Shandong Hi-Speed Rail Transit Group Co., Ltd.	
	Date of combination	Ending of the previous period
Assets:	9,637,371,566.82	7,610,319,593.27
Monetary funds	478,680,736.10	663,789,898.52
Notes receivable	179,877,623.78	195,070,480.97
Accounts receivable	458,859,068.64	208,957,188.66
Advanced payment	609,660,408.52	137,186,400.95
Other receivables	1,285,554,347.07	87,331,809.78
Stock	225,538,194.93	360,145,427.85
Other current assets	677,953.17	72,571,354.99

Other equity instrument investment	347,626,837.00	331,626,837.00
Long term equity investment	400,000,000.00	120,000,000.00
Investment real estate	706,236.71	
Fixed assets	2,878,782,179.29	3,233,573,488.40
Construction in process	873,144,034.59	749,856,627.79
Intangible assets	1,832,428,933.24	1,058,117,848.42
Long-term deferred expenses	360,577.83	373,996.83
Deferred income tax assets	65,474,435.95	67,575,032.82
Other non-current assets		324,143,200.29
Liabilities:	5,606,814,985.73	4,595,076,973.21
Short-term borrowings	134,500,000.00	68,000,000.00
Notes payable	68,982,756.25	33,211,430.37
Accounts payable	438,783,491.62	545,618,253.03
Advance receipt	150,507,281.37	171,530,762.18
Employee pay payable	150,472,249.86	197,682,435.28
Taxes payable	-6,507,693.47	116,541,585.46
Interest payable	175,052,667.26	175,718,144.88
Dividends payable	30,202,210.62	24,999,731.51
Other payables	2,660,499,874.58	1,558,326,564.41
Long-term Loans	1,114,908,818.20	1,001,908,818.20
Special payable	13,170,000.00	13,170,000.00
Estimated liabilities	75,092,626.46	75,404,513.49
Deferred Income	601,150,702.98	612,964,734.40
Net Assets	4,030,556,581.09	3,015,242,620.06
Minus: Minority equity	2,308,295,588.47	1,849,260,955.80
Net assets acquired	1,722,260,992.62	1,165,981,664.26

Contingent liabilities of the combined party assumed in the business combination:

None.

Other instructions:

Applicable Not applicable

3. Reverse purchase

Applicable Not applicable

4. Disposal of subsidiary

Whether there is single time disposal of the investment in the subsidiary, i.e. loss of control

Applicable Not applicable

Other instructions:

Applicable Not applicable

Whether there is the situation that the investment in subsidiaries is disposed step by step through multiple transactions and the control right is lost in the current period.

Applicable Not applicable

5. Change of consolidation scope for other reasons

Explanation for changes in the scope of consolidation caused by other reasons (such as the establishment of new subsidiaries, and liquidation of subsidiaries) and relevant information:

Applicable Not applicable

Shandong Hi-Speed Rail Transit Group Co., Ltd., as the company's subsidiary transferred 35% of shares of Shandong High Speed New Material Technology Co., Ltd. free of charge in March 2020, upon lost of control, it was not included in the scope of consolidation.

The Company completed the capital reduction of Jinan Changying Jin'an Investment Partnership (Limited Partnership) in June 2020, upon lost of control, it was not included in the scope of consolidation.

6. Miscellaneous

Applicable Not applicable

IX. Equity in other subjects**1. Equity in subsidiary****(1). Composition of enterprise**

√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		Investment and establishment
Shandong Hi-speed Environmental Technology Co., Ltd.	Shandong	Shandong	Environmental protection industry		60.01	Investment and establishment
Shandong Hi-Speed Zhangqiu Property Development Co., Ltd.	Shandong	Shandong	Investment and development		60	Investment and establishment
Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.	Guangdong	Guangdong	Investment platform		100	Investment and establishment
Yantai Hesheng Real Estate Development Co., Ltd.	Shandong	Shandong	Investment and development		100	Business combination not under common control
Shandong Hi-Speed Industrial Development Co., Ltd.	Shandong	Shandong	Property management	60		Investment and establishment
Shandong Lijin Huanghe Highway and Bridge Co., Ltd.	Shandong	Shandong	Highway management	65		Business combination under same control
Shandong Hi-Speed Henan Development Co., Ltd.	Henan	Henan	Investment and development	60		Investment and establishment
Shandong Hi-Speed Henan Xuyu Highway Co., Ltd.	Henan	Henan	Highway management		60	Investment and establishment

Jiyuan City Jijin Expressway Co., Ltd.	Henan	Henan	Highway management		54	Business combination not under common control
Hunan Hengshao Expressway Co., Ltd.	Hunan	Hunan	Highway management	70		Business combination not under common control
Shandong Hi-Speed Hunan Development Co., Ltd.	Hunan	Hunan	Investment and development	100		Investment and establishment
Shandong Hi-Speed Qilu Construction Transportation Administration Service Co., Ltd.	Shandong	Shandong	Agency service	100		Business combination under same control
Hubei Wujing Expressway Development Co., Ltd	Hubei	Hubei	Highway management	60		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		Investment and establishment
Jinan Jinming Investment Partnership (Limited Partnership)	Shandong	Shandong	Equity investment		100	Investment and establishment
Shenzhen Lupeng Investment Partnership (limited partnership)	Guangdong	Guangdong	Investment business		100	Investment and establishment

Qingdao Changying Jinpeng Equity Investment Partnership (Limited Partnership)	Shandong	Shandong	Investment business	30.75	69.18	Investment and establishment
Shandong Hi-Speed Rail Transit Group Co., Ltd.	Shandong	Shandong	Railway transport	51		Business combination under same control
Shandong High Speed Railway Construction Equipment Co., Ltd.	Weifang	Weifang	Cement products manufacturing		17.85	Business combination under same control
Shandong Dalailong Railway Co., Ltd.	Jinan	Jinan	Railway freight transport		41.01	Business combination under same control
Shandong Ruitong Logistics Co., Ltd.	Jinan	Jinan	Loading and unloading		51.00	Business combination under same control
Shandong Ruiyuan Logistics Co., Ltd.	Rizhao	Rizhao	Loading and unloading		33.15	Business combination under same control
Shandong Shouping Railway Co., Ltd.	Shouguang	Shouguang	Railway freight transport		30.49	Business combination under same control
Shandong Zhonglan Railway Operation Co., Ltd.	Rizhao	Rizhao	Railway transport		26.01	Business combination under same control
Bohai trust • No.01 collective fund trust plan of CGI 2019			Trust plan	31.03		Investment and establishment

Explanation for the difference between the shareholding ratio and the voting right ratio in the subsidiary: None.

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:

The Company indirectly holds 35% shares of Shandong High Speed Railway Construction

Equipment Co., Ltd., so it is included in the scope of consolidation based on actual control.

For the important structured entities included in the consolidation scope, the control basis is as follows:

The Company and Agricultural Bank of China Co., Ltd., as the principals, set up "Bohai Trust • No.01 collective fund trust plan of CGI 2019" and the trustee is Bohai International Trust Co., Ltd. There are 4 members of the investment decision-making committee of the trust plan, 3 of whom are appointed by the company to control the trust plan.

Basis for determining whether the company is an agent or the principal:

None.

Other instructions:

None.

(2). Key non-wholly-owned subsidiaries

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Name of Subsidiary	Shareholding Ratio of Minority Shareholders (%)	Profits and Losses Attributed to Minority Shareholders in the Current Period	Dividends Distributed to Minority Shareholders in the Current Period	Balance of Minority Shareholders' Interests at the End of the Period
Shandong Hi-Speed Henan Development Co., Ltd.	40	14,239,780.16	17,300,000.00	265,618,194.11
Shandong Hi-Speed Zhangqiu Property Development Co., Ltd.	40	10,546,655.13		362,155,565.35
Hunan Hengshao Expressway Co., Ltd.	30	-29,029,933.35		-166,259,474.20
Shandong Lijin Huanghe Highway and Bridge Co., Ltd.	35	-397,886.15		49,031,648.23
Jiyuan City Jijin Expressway Co., Ltd.	10	-2,784,421.33		16,776,671.04
Hubei Wujing Expressway Development Co., Ltd	40	-19,001,770.72		597,830,178.99

Shandong Hi-Speed Rail Transit Group Co., Ltd.	49	256,042,929.99	484,000,000.00	1,753,020,357.27
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Explanation for the difference between the shareholding ratio of minority shareholders and the voting right ratio in the subsidiary:

Applicable Not applicable

Other instructions:

Applicable Not applicable

(3). Main financial information of key non-wholly-owned subsidiaries

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Name of Subsidiary	Ending balance						Beginning balance					
	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.	833,918,808.80	963,473,821.94	1,797,392,630.74	740,347,145.47	393,000,000.00	1,133,347,145.47	898,212,310.29	946,956,056.22	1,845,168,366.51	776,422,331.65	423,000,000.00	1,199,422,331.65
Shandong Hi-Speed Zhangqiu Property Development Co., Ltd.	987,138,661.93	168,487,692.60	1,155,626,354.53	248,665,114.12	1,572,327.04	250,237,441.16	990,595,751.99	169,018,517.60	1,159,614,269.59	279,019,667.00	1,572,327.04	280,591,994.04
Hunan Hengshao Expressway Co., Ltd.	29,830,687.55	4,796,549,108.14	4,826,379,795.69	2,416,642,852.05	2,963,935,190.96	5,380,578,043.01	36,110,671.27	4,833,407,111.59	4,869,517,782.86	2,360,817,263.67	2,966,132,322.00	5,326,949,585.67
Shandong Lijin	65,976,895.13	99,152,033.51	165,128,928.64	-1,007,304.	26,045,809.30	25,038,505.13	75,618,213.06	80,474,189.51	156,092,402.57	3,059,352.19	11,805,809.30	14,865,161.49

Huanghe Highway and Bridge Co., Ltd.				17								
Jiyuan City Jijin Expressway Co., Ltd.	618,237,985.30	760,787,356.00	1,379,025,341.30	862,526,864.14	348,731,766.78	1,211,258,630.92	608,883,602.88	768,880,243.68	1,377,763,846.56	806,726,170.37	375,426,752.48	1,182,152,922.85
Hubei Wujing Expressway Development Co., Ltd	121,660,223.98	6,781,805,823.07	6,903,466,047.05	80,703,806.61	5,328,186,792.97	5,408,890,599.58	69,082,213.21	6,872,326,628.43	6,941,408,841.64	512,392,174.40	4,886,936,792.97	5,399,328,967.37
Shandong Hi-Speed Rail Transit Group Co., Ltd.	3,282,539,004.31	2,927,972,764.47	6,210,511,768.78	2,479,017,197.89	153,902,005.04	2,632,919,202.93	2,156,082,312.85	1,846,249,545.30	4,002,331,858.15	1,426,601,563.32	152,971,235.50	1,579,572,798.82

Name of Subsidiary	Amount incurred in current period				Amount incurred in previous period			
	Revenue	Net Profits	Total Comprehensive Income	Cash Flow from Operating Activities	Revenue	Net Profits	Total Comprehensive Income	Cash Flow from Operating Activities
Shandong		35,599,450.41	35,599,450.41	-11,704,376.40		17,573,745.70	17,573,745.70	24,026,802.07

Hi-Speed Henan Development Co., Ltd.								
Shandong Hi-Speed Zhangqiu Property Development Co., Ltd.	2,568,626.45	26,366,637.82	26,366,637.82	395,114,531.59	1,675,733.36	29,020,563.90	29,050,563.90	-55,159,277.04
Hunan Hengshao Expressway Co., Ltd.	55,518,580.76	-96,766,444.51	-96,766,444.51	28,632,758.39	110,860,778.61	-54,661,883.76	-54,661,883.76	-1,304,551,542.80
Shandong Lijin Huanghe Highway and Bridge Co., Ltd.	8,302,461.91	-1,136,817.57	-1,136,817.57	-40,454,331.90	36,302,614.29	20,535,201.26	20,535,201.26	1,282,337.33
Jiyuan City Jijin Expressway Co., Ltd.	36,620,803.08	-27,844,213.33	-27,844,213.33	21,658,438.00	148,900,803.49	72,486,988.66	72,486,988.66	65,821,310.96
Hubei Wujing Expressway Development Co., Ltd	203,813,158.70	-47,504,426.80	-47,504,426.80	114,261,091.35	496,160,022.83	187,693,554.04	187,693,554.04	454,472,631.25
Shandong Hi-	1,149,433,297.59	522,536,591.81	522,536,591.81	474,378,685.61	848,334,993.05	337,884,433.19	337,884,433.19	437,560,656.89

Speed Rail Transit Group Co., Ltd.								
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Other instructions:

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 instructions:

Applicable Not applicable

2. Transaction causing changes in the shareholder's equity in the subsidiary, which did not cause loss of control over the subsidiary

Applicable Not applicable

(1). Explanation for changes in the shareholders' equity in the subsidiary

Applicable Not applicable

Shandong Hi-Speed Industrial Development Co., Ltd., as the Company's subsidiary introduced a new shareholder, Yinfeng Property Management Co., Ltd. in the current reform, and the Company's shareholding ratio was reduced from 100% to 60%.

(2). Impact of transactions on minority shareholders' equity and owners' equity attributable to the parent company

Applicable Not applicable

Unit: Yuan Currency: RMB

	Shandong Hi-Speed Industrial Development Co., Ltd.
Purchase cost/disposal consideration	22,300,000.00
- Cash	22,300,000.00
- Fair value of non-cash assets	
Total purchase cost/disposal consideration	22,300,000.00
Minus: Share of net assets of subsidiaries calculated according to the proportion of equity acquired/disposed	12,670,000.00
Difference	9,630,000.00
Including: Adjustment of capital reserves	9,630,000.00
Adjustment of surplus reserve	
Adjustment of undistributed profits	

Other description

Applicable Not applicable

3. Equity in joint ventures or associated enterprises

Applicable Not applicable

(1). Key joint ventures or associated enterprises

Applicable Not applicable

Unit: Yuan Currency: RMB

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	13.96		Equity method
Shandong Hi-speed Logistics Group Co., Ltd. (hereinafter referred to as "Logistics Group")	Shandong	Shandong	Logistics management	25		Equity method
Dongxing Securities Company, 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

Explanation for the difference between the shareholding ratio and the voting right ratio in the joint ventures or associated enterprises:

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 Fulongma so that the Company can exert significant influence on Fulongma, so it is accounted as the associated enterprise.

(2). Major financial information of important joint ventures

Applicable Not applicable

(3). Major financial information of important associated enterprises

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

	Ending Balance/Amount Incurred in the Current Period		Opening balance/Amount Incurred in the Previous Period	
	Weihai Shanghang	Logistics Group	Weihai Shanghang	Logistics Group
Current Assets	40,209,105,727.71	3,239,154,683.97	35,252,587,849.94	2,546,773,171.63
Including: Cash and cash equivalents	21,017,220,993.81	1,409,815,861.47	21,203,835,612.72	440,278,098.82
Non-current Assets	209,071,848,930.37	2,898,019,577.15	189,224,538,017.42	2,352,417,423.74
Total Assets	249,280,954,658.08	6,137,174,261.12	224,477,125,867.36	4,899,190,595.37
Current Liabilities	200,785,921,987.17	2,653,259,024.78	175,130,195,960.05	1,230,877,721.79
Non-current Liabilities	29,632,797,436.56	463,603,582.97	31,116,402,774.55	825,376,333.13
Total liabilities	230,418,719,423.73	3,116,862,607.75	206,246,598,734.60	2,056,254,054.92
Minority equity	610,525,660.68	190,431,628.92	524,552,880.08	72,933,474.52
Equity attributable to shareholders of parent company	18,251,709,573.67	2,829,880,024.45	17,705,974,252.68	2,770,003,065.93
Net assets shares counted based on shareholding ratio	2,547,938,656.48	707,470,006.11	2,471,754,005.67	692,500,766.48
Adjustment items	188,052,081.96	2,453,252.93	187,700,346.47	
- Goodwill	84,054,761.12		84,054,761.12	
- Internally unrealized profits				
- Others	103,997,320.84	2,453,252.93	103,645,585.35	
Book value for equity investment of associated enterprises	2,735,990,738.44	709,923,259.04	2,659,454,352.14	692,500,766.48

Fair value of equity investment in associated enterprises with open bids				
Revenue	5,170,699,990.61	1,716,829,242.32	5,236,962,519.06	1,164,231,353.39
Net Profits	768,237,311.58	45,006,829.25	745,083,087.64	14,956,588.94
Discontinued operating net profit				
Other comprehensive income	308,378,692.34			
Total Comprehensive Income	1,076,616,003.92	45,006,829.25	738,002,249.05	14,956,588.94
Dividends received from the associated enterprises during the current year	69,395,798.70			

Other description
None.

(4). Summary of unimportant financial information of joint ventures and associated enterprises

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

	Ending Balance/Amount Incurred in the Current Period	Opening balance/Amount Incurred in the Previous Period
Joint ventures:		
Total book value of investments	56,522,735.67	5,103,478.39
Total amount of the following items calculated according to shareholding ratio		
- Net profit		
- Other comprehensive income		
- Total comprehensive income		
Associated enterprises:		
Total book value of investments	7,799,322,088.62	4,293,233,199.55
Total amount of the following items calculated according to shareholding ratio		
- Net profit	113,791,058.31	7,173,434.55
- Other comprehensive income		
- Total comprehensive income	113,791,058.31	7,173,434.55

Other description

None.

(5). Explanation for 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 ventures or associated enterprise

Applicable Not applicable

(7). Unconfirmed commitments related to investment in joint venture

Applicable Not applicable

(8). Contingent liabilities related to investment in joint ventures or associated enterprises

Applicable Not applicable

4. Important joint operation

Applicable Not applicable

5. Equity in structured entities not included in consolidated financial statements

Explanation for structured entities not included in the scope of consolidated financial statements:

Applicable Not applicable

6. Miscellaneous

Applicable Not applicable

X. Risks related to financial instruments

Applicable Not applicable

The main financial instruments of the group include loans, receivables, payables, trading financial assets, trading financial liabilities, etc. see note VII for details of various financial instruments. 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 risk

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 of June 30, 2020, the total interest-bearing debt of the Group was 38,832,264,313.96 yuan.

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 risk

On June 30, 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:

The book value of the recognized financial assets in the consolidated balance sheet; for financial instruments measured at fair value, the book value reflects their risk exposure, but not the maximum risk exposure, which will change with the future 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.

XI. Disclosure of fair value**1. Ending fair value of assets and liabilities measured at fair value**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

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			5,974,145,610.12	5,974,145,610.12
1. Financial assets measured at fair value with changes included in the current profits and losses			5,974,145,610.12	5,974,145,610.12
(1) Debt instrument investment			974,145,610.12	974,145,610.12
(2) Equity instrument investment			5,000,000,000.00	5,000,000,000.00
(3) Derivative financial assets				
2. Financial assets measured at fair value with changes included in the current profits and losses				
(1) Debt instrument investment				
(2) Equity instrument investment				
(II) Other debt investment				
(III) Other equity instrument investment			365,241,523.36	365,241,523.36
(IV) Investment real estates				
1. Land use rights for rent				
2. Buildings for rent				
3. Land-use rights held and intended to be transferred after appreciation				
(V) Biological assets				
1. Consumptive biological assets				
2. Productive biological assets				
Total assets continuously measured at fair value			6,339,387,133.48	6,339,387,133.48
(VI) Trading financial liabilities				

1. Financial liabilities measured at fair value with changes included in the current profits and losses				
Including: Trading bonds issued				
Derivative financial liabilities				
Others				
2. Financial liabilities measured at fair value with changes included in 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. Basis for determining the market price of item measured with continuous and non-continuous Level 1 fair value

Applicable Not applicable

3. Measurement item of Level 2 fair value of continuous and non-continuous, qualitative and quantitative information of the adopted valuation techniques and important parameters

Applicable Not applicable

4. Measurement item of Level 3 fair value of continuous and non-continuous, qualitative and quantitative information of the adopted valuation techniques and important parameters

Applicable Not applicable

For debt instrument investment and other debt investment, the fair value is the transaction price;

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 Level 3 fair value measurement items, adjustment information between opening and closing book value and sensitivity analysis of unobservable parameters

Applicable Not applicable

6. For the continuous fair value measurement items, when there is a conversion between different levels in the current period, the reasons for the conversion and the policies for determining the conversion time point

Applicable Not applicable

7. Valuation technology changes and reasons in the current period

Applicable Not applicable

8. Fair value of financial assets and financial liabilities not measured at fair value

Applicable Not applicable

9. Others

Applicable Not applicable

XII. Affiliates and affiliate transaction**1. Situation of the parent company of this enterprise**

Applicable Not applicable

Unit: Ten thousand yuan Currency: RMB

Name of the Parent Company	Registered Place	Nature of Business	Registered Capital	Shareholding Ratio of Parent Company to the Enterprise (%)	Voting Right Ratio of Parent Company to the Enterprise (%)
Shandong Hi-Speed Group Co., Ltd.	Jinan	Toll road construction and management	2,333,833.56	70.91	70.91

Explanation for the parent company of the enterprise:

None.

The ultimate controlling party of the enterprise is Shandong Hi-Speed Group Co., Ltd.

Other instructions:

None.

2. Situation of the subsidiary of the enterprise

See the notes for details of the enterprise's subsidiaries.

Applicable Not applicable

See the notes IX. 1 (1) Composition of group for details of the enterprise's subsidiaries.

3. Situation of joint ventures and associated enterprises of the enterprise

See the notes for important joint ventures or associated enterprises of the enterprise

Applicable Not applicable

See note IX. 3. (1)

The conditions of other joint ventures or associated enterprises that have affiliate 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 Hi-Speed Changying Equity Investment Management Co., Ltd.	Joint ventures
Shandong Hi-Speed Engineering Consulting Co., Ltd.	Associated enterprises
Shandong High-Speed Logistics Group Co., Ltd.	Associated enterprises
Weihai City Commercial Bank	Associated enterprises
Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	Associated enterprises
Jinan Puyuan Property Co., Ltd.	Associated enterprises

Shandong Hi-Speed Jinan Investment Co., Ltd.	Associated enterprises
Shandong Lingang Shugang Rail Transit Co., Ltd.	Associated enterprises
Shandong High-Speed (Henan) Maintenance Technology Co., Ltd.	Associated enterprises

Other description

Applicable Not applicable

4. Other affiliates

Applicable Not applicable

Name of other affiliates	Relations of other affiliates with the enterprise
Shandong Road and Bridge Group Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Hubei Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-speed Architectural Design Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-speed Longqing Expressway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Sanyi Engineering Construction Supervision Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Road Development Co., Ltd.	Controlling subsidiary of the parent company
Shandong Luqiao Construction Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Service Area Management Co., Ltd.	Under the same control of parent company together with the Company
Shandong Hi-Speed Information Engineering Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Engineering Detection Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Petrochemical Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed International Tourism Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Technology Development Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Standard Container Logistics Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Road & Bridge Co., Ltd.	Controlling subsidiary of the parent company
Shandong Highway & Bridge Construction Co., Ltd.	Controlling subsidiary of the parent company
Jiqing Hi-Speed Railway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Xinwei Information Technology Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Real Estate Group Co., Ltd.	Wholly owned subsidiary of the parent company

Shandong Hi-Speed Property Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Construction Materials Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Bioengineering Co., Ltd.	Wholly owned subsidiary of the parent company
Yunnan Suomeng Expressway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Rural Economic Development Investment Company	Wholly owned subsidiary of the parent company
Shandong Hi-speed Culture Media Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Niluo Investment Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Weiri Highway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Xinlian Payment Co., Ltd.	Wholly owned subsidiary of the parent company
Qilu Construction Group Industrial Development Company	Under the same control of parent company together with the Company
Shandong Hi-Speed Property Management Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Expressway Service Area Promotion Construction Engineering Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Jiaoan Science and Technology Development Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Yunnan Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Honglin Engineering Technology Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Investment Holding Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Qingdao West Coast Port Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Xinlian Technology Co., Ltd.	Controlling subsidiary of the parent company
Jining Hongxiang Highway Survey and Design Institute Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Gaoguang Highway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Linzao-Zaomu Highway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Taidong Highway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Juanhe Expressway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Materials Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Construction Management Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-speed Xinbo Information Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Resource Development Management Group Co., Ltd.	Wholly owned subsidiary of the parent company

Shanghai Zhida Technology (Group) Co., Ltd.	Parent company of minority shareholders of the subsidiary
Jinan Shengbang Real Estate Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Binzhou Property Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Light Industry Investment Fund Management Co., Ltd.	Controlling subsidiary of the parent company
Laizhou City Beilai Highway Investment Co., Ltd.	Controlling subsidiary of the parent company
Shandong High-Speed Logistics Group Co., Ltd.	Controlling subsidiary of the parent company
Weihai City Commercial Bank	Controlling subsidiary of the parent company
Hubei Fanwei Expressway Development Co., Ltd.	Wholly owned subsidiary of the parent company
Hubei Wuma Expressway Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Juanhe Expressway Co., Ltd.	Wholly owned subsidiary of the parent company
Wuhan Jincheng Xingfa Real Estate Co., Ltd.	Controlling subsidiary of the parent company
Jinan Huibo Real Estate Co., Ltd.	Controlling subsidiary of the parent company
Shandong Railway Investment Holding Group Co., Ltd.	Controlling subsidiary of the parent company
Shandong High-Speed Aowei Junshan Automobile Supply Chain Management Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Group Sichuan Leyi Highway Co., Ltd.	Controlling subsidiary of the parent company
Shandong High-Speed Manyi Logistics Technology Co., Ltd.	Controlling subsidiary of the parent company
Shandong High-Speed (Henan) Maintenance Technology Co., Ltd.	Controlling subsidiary of the parent company
Lunan High-speed Railway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Railway Development Fund Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed New Material Technology Co., Ltd.	Controlling subsidiary of the parent company
Shandong Railway Development Fund Co., Ltd.	Controlling subsidiary of the parent company
Jiqing Hi-Speed Railway Co., Ltd.	Controlling subsidiary of the parent company

Other description

None.

5. Related transactions

(1). Related transactions of purchase and sale of goods, provision and acceptance of services

List of goods purchased/services received

Applicable Not applicable

Unit: Yuan Currency: RMB

Affiliates	Content of Affiliate Transaction	Amount incurred in current period	Amount incurred in previous period
Shandong Hi-Speed Road & Bridge Maintenance Co.,	Reconstruction and general maintenance of	30,682,259.20	14,024,828.09

Ltd.	road products and auxiliary facilities		
Shandong Hi-Speed Engineering Detection Co., Ltd.	Rendering of service	50,000.00	218,088.50
Shandong Highway & Bridge Construction Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	157,729,666.42	248,080,906.05
Shandong Hi-Speed Road & Bridge Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	16,960,172.90	
Shandong Hi-Speed Qingdao West Coast Port Co., Ltd.	Purchase of goods	480,800.00	
Shandong Hi-Speed Group Co., Ltd.	Collection of ETC advance deposit	856,003.05	15,978.50
Shandong Hi-Speed Road Development Co., Ltd.	Advertising expense	865,056.56	
Shandong Hi-Speed Service Area Management Co., Ltd.	Comprehensive service fee, house rental fee		1,400,208.58
Shandong Expressway Service Area Promotion Construction Engineering Co., Ltd.	Advance project payment		43,713,537.18
Shandong Hi-Speed Engineering Consulting Co., Ltd.	Supervision fee		3,213,747.76
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	Project funds		92,725,968.86
Shandong Hi-Speed Information Engineering Co., Ltd.	Information engineering services	239,520.20	127,800.00
Shandong Road and Bridge Group Co., Ltd.	Engineering costs and material costs, etc.	136,791,498.20	582,944,532.29
Shandong Hi-Speed Property Management Co., Ltd.	Property management	738,257.03	480,306.74
Shandong Hi-Speed Qingdao Property Management Co., Ltd.	Shuttle bus cost	66,582.00	
Shandong Hi-Speed International Tourism Co., Ltd.	Receive Labor service		87,768.00
Shandong Hi-Speed Qingdao West Coast Port Co., Ltd.	Multi-purpose passenger vehicle	284,100.00	
Shandong Hi-Speed Qingdao West Coast Port Co., Ltd.	Vehicle purchase	1,030,315.60	

Shandong Hi-Speed New Material Technology Co., Ltd.	Materials purchase	745,270.00	
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Schedule of goods sold/services provided

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Affiliates	Content of Affiliate Transaction	Amount incurred in current period	Amount incurred in previous period
Jiqing Hi-Speed Railway Co., Ltd.	Rental and property fees		108,973.26
Shandong Hi-Speed Real Estate Group Co., Ltd.	Comprehensive service fee		13,904.72
Shandong Hi-Speed Service Area Management Co., Ltd.	Service area rental		238,095.24
Shandong Expressway Service Area Promotion Construction Engineering Co., Ltd.	Property management fee		50,287.18
Shandong Hi-speed Architectural Design Co., Ltd.	Rental and property fees		1,168,459.73
Shandong Hi-Speed Jiaoan Science and Technology Development Co., Ltd.	Rental and property fee		63,186.17
Shandong Hi-Speed Technology Development Group Co., Ltd.	Rental and property fees		136,736.84
Shandong Hi-Speed Niluo Investment Development Co., Ltd.	Sale of goods, rental and property fee, etc.	664,143.91	501,836.92
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	House rental, sale of goods	4,814,736.73	344,971.21
Shandong Hi-Speed Petrochemical Co., Ltd.	Sale of goods, rental and property fee, etc.	796,990.98	4,898,450.63
Shandong Hi-Speed Information Engineering Co., Ltd.	Information engineering services	4,669,247.79	638,603.16
Shandong Road and Bridge Group Co., Ltd.	Steel trade, etc.	14,294,033.71	3,871,354.48
Shandong Highway & Bridge Construction Co., Ltd.	Sale of goods	2,108,133.44	
Shandong Hi-Speed Materials Group Co., Ltd.	Sale of goods	5,236,181.50	
Shandong Hi-Speed Luqiao Construction Co., Ltd.	Sale of goods	386,850.16	
Jining Hongxiang Highway Survey and Design Institute Co., Ltd.	Sales of goods and comprehensive services	894,637.14	

Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	Sales of goods and comprehensive services	146,815.20	
Jinan Puyuan Property Co., Ltd.	Interest income	50,136,986.29	
Shandong Hi-Speed Xicheng Property Co., Ltd.	Interest income	36,633,187.48	
Lunan High-speed Railway Co., Ltd.	Sale of goods	202,019,362.87	
Shandong Hi-Speed New Material Technology Co., Ltd.	Sale of goods	10,693.27	
Shandong Hi-Speed Luqiao Group Co., Ltd.	Sale of goods		115,557.52
Shandong Hi-Speed New Material Technology Co., Ltd.	Sale of goods	8,463.35	
Shandong Road and Bridge Group Co., Ltd.	Sale of goods	172.70	

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: RMB

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 Hi-speed Company Limited	Custody of other assets	January 1, 2018	December 31, 2020	Agreement	115,882,750.00
Shandong Hi-Speed Road Development Co., Ltd.	Shandong Hi-speed Company Limited	Custody of other assets	January 1, 2018	December 31, 2020	Agreement	55,447,000.00
Shandong Hi-Speed Weiri Highway Co., Ltd.	Shandong Hi-speed Company Limited	Custody of other assets	January 1, 2018	December 31, 2020	Agreement	41,741,750.00
Shandong Hi-speed Longqing Expressway Co., Ltd.	Shandong Hi-speed Company Limited	Custody of other assets	January 1, 2018	December 31, 2020	Agreement	18,340,200.00

Shandong Hi-Speed Gaoguang Highway Co., Ltd.	Shandong Hi-speed Company Limited	Custody of other assets	November 30, 2019	December 31, 2020	Agreement	28,612,450.00
Shandong Hi-Speed Linzao-Zaomu Highway Co., Ltd.	Shandong Hi-speed Company Limited	Custody of other assets	November 30, 2019	December 31, 2020	Agreement	7,777,450.00
Shandong Hi-Speed Taidong Highway Co., Ltd.	Shandong Hi-speed Company Limited	Custody of other assets	July 1, 2019	December 31, 2020	Agreement	41,230,800.00
Shandong Juanhe Expressway Co., Ltd. (operation)	Shandong Hi-speed Company Limited	Custody of other assets	January 1, 2019	December 31, 2020	Agreement	12,270,950.00

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). Description of related lease

With the Company as lessor:

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Name of lessee	Types of leased assets	Rental income recognized in the current period	Rental income recognized in the previous period
Shandong Hi-Speed Service Area Management Co., Ltd.	Management and leasing of Guodian parking area in Xuyu road	238,095.24	238,095.24
Shandong Hi-Speed Petrochemical Co., Ltd.	Leasing of gas stations along Jinan-Laiwu Expressway	7,151,743.41	3,809,525.82
Shandong Hi-Speed Information Engineering Co., Ltd.	Leasing of communication pipes along the north line of Jinan-Qingdao Expressway		638,603.16
Shandong Hi-Speed Changing Equity Investment Management Co., Ltd.	Office building in Olympic Middle Road	585,522.48	186,231.42
Shandong Hi-speed Architectural Design Co., Ltd.	Office building in Olympic Middle Road	782,030.82	782,030.82
Shandong Hi-Speed Petrochemical Co., Ltd.	Office building in Olympic Middle Road	796,990.98	796,990.98
Shandong Hi-Speed Niluo Investment Development Co., Ltd.	Office building in Olympic Middle Road	664,143.91	355,722.30
Jiqing Hi-Speed Railway Co., Ltd.	Office building in Olympic Middle Road		96,788.83
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	Yanshan real estate	709,186.47	
Jinan Branch of Jining Hongxiang Highway Survey and Design Institute Co., Ltd.	Office building in Olympic Middle Road	894,637.14	

With the Company as the lessee:

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Name of lessor	Types of leased assets	Rental income recognized in the current period	Rental fee recognized in the previous period
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Wuhan Jincheng Xingfa Real Estate Co., Ltd.	Boshihui office building	1,501,405.20	3,706,842.09
Shandong Hi-Speed Service Area Management Co., Ltd.	Office building along Jinan-Qingdao Expressway		291,699.92
Shandong Hi-Speed Service Area Management Co., Ltd.	Public facilities		1,108,512.22

Description of associated leasing

Applicable Not applicable

(4). Description of related guarantee

With the Company as the guarantor

Applicable Not applicable

Unit: Yuan Currency: RMB

Guaranteed Party	Guarantee Amount	Starting Date of Guarantee	Due Date of Guarantee	Whether the Guarantee Has Been Fulfilled or Not
Shandong Hi-Speed New Material Technology Co., Ltd.	142,500,000.00	July 31, 2018	June 30, 2023	Yes

Note: As of July 2020, Shandong Hi-Speed New Material Technology Co., Ltd. has paid off all the loans and the relevant guarantee has been released.

With the Company as the guarantor

Applicable Not applicable

Unit: Yuan Currency: RMB

Guarantor	Guarantee Amount	Starting Date of Guarantee	Due Date of Guarantee	Guarantee fulfilled or not
Shandong Hi-Speed Group Co., Ltd.	521,000,000.00	January 23, 2007	January 22, 2026	No
Shandong Hi-Speed Group Co., Ltd.	10,000,000.00	July 8, 2010	January 22, 2026	No
Shandong Hi-Speed Group Co., Ltd.	8,000,000.00	July 21, 2010	January 22, 2026	No
Shandong Hi-Speed Group Co., Ltd.	500,000,000.00	November 29, 2019	November 28, 2039	No

Description of associated guarantee

Applicable Not applicable

(5). Fund borrowing by affiliates

Applicable Not applicable

(6). Asset transfer and debt restructuring of affiliates

Applicable Not applicable

(7). Remuneration of key management personnel

□ Applicable √ Not applicable

(8). Other related transactions

□ Applicable √ Not applicable

6. Receivables and payables of affiliates**(1). Accounts receivable**

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Project Name	Affiliates	Ending balance		Beginning balance	
		Book balance	Bad debt reserves	Book balance	Bad debt reserves
Accounts receivable	Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	20,047.50		20,047.50	
Accounts receivable	Shandong Hi-Speed Xinwei Information Technology Co., Ltd.	178,500.00		178,500.00	
Accounts receivable	Shandong Road and Bridge Group Co., Ltd.	32,076,972.57		4,515,261.32	
Accounts receivable	Shandong Hi-speed Xinbo Information Co., Ltd.	614,285.72		614,285.72	
Accounts receivable	Shandong Hi-Speed Information Engineering Co., Ltd.	3,165,750.00			
Accounts receivable	Shandong Highway & Bridge Construction Co., Ltd.	2,108,133.44			
Accounts receivable	Shandong Hi-Speed Materials Group Co., Ltd.	27,328,800.00			
Accounts receivable	Shandong Hi-Speed Qilu Construction Group Co.,	5,440,652.50			

	Ltd.				
Accounts receivable	Shandong Hi-Speed Xinlian Payment Co., Ltd.	4,644.25			
Accounts receivable	Shandong Hi-Speed Jiaoan Science and Technology Development Co., Ltd.	170.66			
Accounts receivable	Shandong Hi-speed Architectural Design Co., Ltd.	842,323.39			
Accounts receivable	Shandong High-Speed Manyi Logistics Technology Co., Ltd.	52,360.52			
Accounts receivable	Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	372,188.44			
Accounts receivable	Shandong Hi-Speed Petrochemical Co., Ltd.	1,010,221.59			
Accounts receivable	Jiqing Hi-Speed Railway Co., Ltd.			1,841,007.05	
Accounts receivable	Shandong Hi-Speed New Material Technology Co., Ltd.	98,070,881.46			
Accounts receivable	Lunan High-speed Railway Co., Ltd.	111,774,786.60			
Other receivables	Shandong Hi-Speed Gaoguang Highway Co., Ltd.	28,612,450.00			

Other receivables	Shandong Hi-Speed Linzao-Zaomu Highway Co., Ltd.	7,777,450.00			
Other receivables	Shandong Hi-speed Longqing Expressway Co., Ltd.	18,340,200.00			
Other receivables	Shandong Hi-Speed Taidong Highway Co., Ltd.	41,230,800.00			
Other receivables	Shandong Hi-Speed Weiri Highway Co., Ltd.	41,741,750.00			
Other receivables	Shanghai Zhida Technology (Group) Co., Ltd.			56,581,703.19	
Other receivables	Shandong Hi-Speed Xicheng Property Co., Ltd.	2,726,756,822.17		2,690,123,634.69	
Other receivables	Jinan Puyuan Property Co., Ltd.	563,750,126.73		1,107,671,674.63	
Other receivables	Shandong Hi-Speed Group Co., Ltd.	118,929,148.37		1,776,835.24	
Other receivables	Shandong Hi-Speed Information Engineering Co., Ltd.	527,625.00			
Other receivables	Shandong Hi-Speed Road & Bridge Co., Ltd.	380,000.00			
Other receivables	Shandong Hi-Speed Service Area Management Co., Ltd.	558,256.13		339,850.33	
Other receivables	Shandong Hi-Speed Road & Bridge	35,354,447.98		3,866,463.41	

	Maintenance Co., Ltd.				
Other receivables	Shandong Hi-Speed Petrochemical Co., Ltd.	15,414.00		60,758.10	
Other receivables	Shandong Hi-Speed Property Management Co., Ltd.	3,450.00		4,950.00	
Other receivables	Shandong Hi-Speed Standard Container Logistics Co., Ltd.			14,101.00	
Other receivables	Yunnan Suomeng Expressway Co., Ltd.			100,721.00	
Other receivables	Shandong Road and Bridge Group Co., Ltd.	5,376,759.94		1,481,382.72	
Other receivables	Shandong Hi-Speed Road Development Co., Ltd.	56,926,680.52			
Other receivables	Shandong Hi-Speed Hubei Development Co., Ltd.	51,472.53		144,347.36	
Other receivables	Shandong Juanhe Expressway Co., Ltd.			10,034,275.00	
Other receivables	Shandong Luqiao Construction Co., Ltd.	4,971,797.68		200,000.00	
Other receivables	Shandong Hi-Speed Light Industry Investment Fund Management Co., Ltd.	303,244.48		237,284.48	
Other receivables	Shandong Hi-speed Architectural			69,112.22	

	Design Co., Ltd.				
Other receivables	Laizhou City Beilai Highway Investment Co., Ltd.			1,201.83	
Other receivables	Shandong High-Speed Logistics Group Co., Ltd.	38,280.00		3,107.00	
Other receivables	Shandong Hi-Speed Xinlian Payment Co., Ltd.	37,944,711.65		6,676.02	
Other receivables	Shandong High-Speed (Henan) Maintenance Technology Co., Ltd.	111,100.89			
Other receivables	Shandong Highway & Bridge Construction Co., Ltd.	6,849,690.00			
Other receivables	Shandong Hi-Speed Property Development Co., Ltd.	48,254.00			
Other receivables	Shandong Hi-Speed Xinlian Technology Co., Ltd.	60,000.00			
Other receivables	Hubei Fanwei Expressway Development Co., Ltd.	59,313.91			
Other receivables	Shandong Hi-Speed Yunnan Development Co., Ltd.	58,940.58			
Other receivables	Shandong Railway Investment Holding Group Co., Ltd.			43,653,400.00	
Other receivables	Shandong Hi-Speed New Material	131,568.68			

	Technology Co., Ltd.				
Other receivables	Jiqing Hi-Speed Railway Co., Ltd.	35,281.78			
Other receivables	Lunan High-speed Railway Co., Ltd.	6,848,456.40			
Prepayment	Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.			2,930,078.06	
Prepayment	Shandong Hi-Speed Information Engineering Co., Ltd.	9,670,588.73		7,914,863.26	
Prepayment	Shandong Road and Bridge Group Co., Ltd.	589,674,013.98		591,207,604.85	
Prepayment	Shandong Expressway Service Area Promotion Construction Engineering Co., Ltd.	27,991,971.55		27,991,971.55	
Prepayment	Shandong Highway & Bridge Construction Co., Ltd.	342,108,604.40			
Prepayment	Shandong Hi-Speed Engineering Consulting Co., Ltd.	47,874.00			
Prepayment	Shandong Hi-Speed Qilu Construction Group Co., Ltd.	10,633,941.78			
Advanced payment	Shandong Hi-Speed Xinlian Payment Co., Ltd.	3,853.00		7,330.00	
Advanced	Shandong Hi-Speed Property	32,220.00			

payment	Management Co., Ltd.				
Notes receivable	Shandong Road and Bridge Group Co., Ltd.	31,034,788.40		54,564,808.00	
Notes receivable	Shandong Hi-Speed Construction Materials Co., Ltd.	4,000,000.00			
Notes receivable	Shandong Hi-Speed Group Sichuan Leyi Highway Co., Ltd.	3,725,000.00			
Current account deposit	Weihai City Commercial Bank	351,240,744.17		826,837,494.86	

(2). Accounts payable

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

Project Name	Affiliates	Ending book balance	Beginning book balance
Accounts payable	Jining Hongxiang Highway Survey and Design Institute Co., Ltd.	177,600.00	
Accounts payable	Shandong Hi-Speed Group Co., Ltd.		120,045.87
Accounts payable	Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	64,557,477.68	107,411,421.36
Accounts payable	Shandong Road and Bridge Group Co., Ltd.	185,107,725.08	502,323,903.37
Accounts payable	Shandong Highway & Bridge Construction Co., Ltd.	7,441,171.12	66,899,711.07
Accounts payable	Shandong Hi-Speed Information Engineering Co., Ltd.	52,639,543.71	58,442,426.98
Accounts payable	Shandong Luqiao Construction Co., Ltd.	353,871.42	353,871.42
Accounts payable	Shandong Hi-Speed Engineering Consulting Co., Ltd.	10,989,445.87	24,138,502.27
Accounts payable	Shandong Hi-Speed Service Area Management Co., Ltd.	21,575.53	97,581.93
Accounts payable	Shandong Hi-Speed Petrochemical Co.,		65,969.01

	Ltd.		
Accounts payable	Shandong Hi-Speed Engineering Detection Co., Ltd.	2,313,808.90	2,580,381.04
Accounts payable	Shandong Hi-Speed Road & Bridge Co., Ltd.	5,036,281.08	3,233,880.92
Accounts payable	Shandong Hi-Speed Road Development Co., Ltd.		88,073.39
Accounts payable	Shandong Hi-Speed Green Technology Development Co., Ltd.		7,052.58
Accounts payable	Shandong Hi-Speed Qingdao West Coast Port Co., Ltd.	106,435.00	106,435.00
Accounts payable	Shandong Hi-Speed New Material Technology Co., Ltd.	50,000.00	
Accounts payable	Shandong Hi-Speed Qingdao West Coast Port Co., Ltd.	8,523.00	
Other payables	Shandong Hi-Speed Group Co., Ltd.	1,638,198,303.95	338,300,697.77
Other payables	Shandong Hi-Speed Service Area Management Co., Ltd.	2,800,424.28	2,863,768.98
Other payables	Shandong Hi-Speed Information Engineering Co., Ltd.	20,814,995.11	21,035,678.09
Other payables	Shandong Hi-Speed Road & Bridge Maintenance Co., Ltd.	10,964,828.83	69,149,425.90
Other payables	Shandong Road and Bridge Group Co., Ltd.	48,964,596.27	42,416,822.08
Other payables	Shandong Hi-Speed Engineering Detection Co., Ltd.	689,388.24	692,479.62
Other payables	Shandong Hi-speed Culture Media Co., Ltd.	100,000.00	100,000.00
Other payables	Shandong Hi-speed Longqing Expressway Co., Ltd.	2,308,043.57	626,682.81
Other payables	Shandong Hi-Speed Engineering Consulting Co., Ltd.	1,467,230.04	1,486,122.03
Other payables	Shandong Luqiao Construction Co., Ltd.	210,000.00	210,000.00

Other payables	Shandong Hi-Speed Qilu Construction Group Co., Ltd.	986,110.63	2,776,110.63
Other payables	Shandong Hi-Speed International Tourism Co., Ltd.		33,350.00
Other payables	Shandong Hi-Speed Standard Container Logistics Co., Ltd.		6,000.00
Other payables	Shandong Sanyi Engineering Construction Supervision Co., Ltd.	128,000.00	188,000.00
Other payables	Electronic charge center of Shandong Hi-Speed Group Co., Ltd.		76,710.00
Other payables	Shandong Highway & Bridge Construction Co., Ltd.	801,006.77	1,812,815.21
Other payables	Shanghai Zhida Technology (Group) Co., Ltd.		31,500,000.00
Other payables	Shandong Hi-Speed Weiri Highway Co., Ltd.	32,909,388.90	6,296,802.10
Other payables	Shandong Hi-Speed Xinlian Payment Co., Ltd.	1,371,342.32	14,632,626.24
Other payables	Shandong Environmental Protection Industry Co., Ltd.		22,000.00
Other payables	Shandong Hi-Speed Property Management Co., Ltd.		1,816.32
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 Hi-Speed Changying Equity Investment Management Co., Ltd.		16,051,492.91
Other payables	Shandong Hi-Speed Gaoguang Highway Co., Ltd.	3,633,778.50	737,932.00
Other payables	Shandong Hi-Speed Road Development Co., Ltd.	97,523,057.23	17,516,432.87
Other payables	Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	5,074.53	5,074.53

Other payables	Shandong Hi-Speed Linzao-Zaomu Highway Co., Ltd.	514,456.00	215,466.00
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.	26,919,792.66	3,451,178.17
Other payables	Shandong Honglin Engineering Technology Co., Ltd.	200,000.00	5,000.00
Other payables	Shandong Juanhe Expressway Co., Ltd.	14,636,423.49	2,036,193.00
Other payables	Shandong Hi-Speed Construction Materials Co., Ltd.	4,000,000.00	
Other payables	Shandong Lingang Shugang Rail Transit Co., Ltd.	472,474,560.25	
Other payables	Shandong Railway Investment Holding Group Co., Ltd.	416,348,633.94	960,000,000.00
Deposit received	Shandong Hi-Speed Information Engineering Co., Ltd.	9,095,231.81	9,222,952.43
Deposit received	Shandong Hi-Speed Service Area Management Co., Ltd.	396,825.39	634,920.63
Deposit received	Shandong Hi-Speed Technology Development Group Co., Ltd.	943.40	943.40
Deposit received	Shandong Hi-speed Architectural Design Co., Ltd.	183,356.91	142,899.49
Deposit received	Shandong Hi-Speed Petrochemical Co., Ltd.	1,136,176.85	147,304.89
Deposit received	Shandong Hi-Speed Niluo Investment Development Co., Ltd.	521,827.33	37,013.85
Deposit received	Jining Hongxiang Highway Survey and Design Institute Co., Ltd.	304,712.77	146,337.84
Deposit received	Shandong Hi-Speed Engineering Consulting Co., Ltd.	849.06	849.06
Deposit received	Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	263,057.83	80,424.02
Deposit received	Shandong Hi-Speed Jiaoan Science and Technology		473.68

	Development Co., Ltd.		
Deposit received	Shandong Hi-Speed Materials Group Co., Ltd.		9,082,800.00
Deposit received	Shandong Hi-Speed Xinlian Payment Co., Ltd.		4,644.25
Deposit received	Shandong High-Speed Manyi Logistics Technology Co., Ltd.	69,164.11	
Deposit received	Shandong Road and Bridge Group Co., Ltd.	18,704.77	
Deposit received	Shandong Hi-Speed New Material Technology Co., Ltd.	963,158.89	
Notes payable	Shandong Highway & Bridge Construction Co., Ltd.	66,200,000.00	
Notes payable	Shandong Road and Bridge Group Co., Ltd.	5,000,000.00	
Dividends payable	Shandong Hi-Speed Group Co., Ltd.	1,296,418,206.42	
Interest payable	Weihai City Commercial Bank	76,806,131.11	
Long-term Loans	Weihai City Commercial Bank	2,813,340,000.00	3,516,670,000.00

7. Commitment of affiliates

Applicable Not applicable

In 2018, the company acquired 60% equity of Wuhan-Jingmen Expressway held by Shandong High Speed Group Co., Ltd. If Wuhan-Jingmen Expressway's actual accumulated net profit within 3 years after the completion of the transaction (including the year when the transaction was implemented, that is, 2018 to 2020) does not reach 960,554,869.89 yuan, the Expressway Group will compensate the company, but except for those caused by force majeure or major changes in national toll road laws and policies. The amount of compensation is 60% (that is, the ratio of Wuhan-Jingmen Expressway's equity transferred by the Expressway Group to the company this time) of the difference between the cumulative net profits actually realized by the bidding company within three years after the completion of the transaction (including the year when the transaction was implemented, that is, 2018 to 2020) and the cumulative net profit for the three fiscal years calculated in the *Evaluation Report*.

8. Others

Applicable Not applicable

XIII. Share based payment

1. General situation of share based payment

Applicable Not applicable

2. Equity-settled share-based payment

Applicable Not applicable

3. Cash-settled share-based payment Applicable Not applicable**4. Modification and termination of share-based payment.** Applicable Not applicable**5. Others** Applicable Not applicable**XIV. Commitments and contingencies****1. Important commitments** Applicable Not applicable**2. Contingencies****(1). Significant contingencies at the balance sheet date** Applicable Not applicable**(2). If the company has no important contingencies to be disclosed, please explain:** Applicable Not applicable**3. Miscellaneous** Applicable Not applicable**XV. Events after balance sheet date****1. Important non-adjustment events** Applicable Not applicable**2. Distribution of profits** Applicable Not applicable

Unit: Yuan Currency: RMB

Profit or dividend to be distributed	
Profits or dividends declared to be distributed after deliberation and approval	1,828,243,025.66

3. Sales returns Applicable Not applicable**4. Description of other events after the balance sheet date** 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). Non-monetary assets exchange

Applicable Not applicable

(2). Exchange of other assets

Applicable Not applicable

4. Annuity plan

Applicable Not applicable

5. Termination of business

Applicable Not applicable

6. Information on segments

(1). Determination basis and accounting policy of report segment

Applicable Not applicable

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 the purpose of management, the Group divides five reporting segments according to 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 reporting segments

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

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 transportation and logistics	Equipment manufacturing	Real estate development	Investment business	Others	Inter segment offset	Total
Revenue	1,711,973,283.32	80,751,028.01	72,840,336.25	203,813,158.70	1,700,915,080.25	371,249,307.27	2,568,626.45	31,162,563.45	137,007,296.85	262,640,723.04	4,049,639,902.51
Including: Income from external transactions	1,711,973,283.32	80,751,028.01	72,840,336.25	203,813,158.70	1,479,882,537.63	371,249,307.27	2,568,626.45	31,162,563.45	95,399,116.43		4,049,639,902.51
Income from transaction between segments					221,032,542.62				41,608,180.42	262,640,723.04	
Operating cost	1,380,067,349.12	69,695,687.79	50,365,765.87	129,444,873.89	1,302,615,828.33	221,847,576.25	347,763.20	20,882,792.44	124,007,590.30	251,294,853.71	3,047,980,373.48
Interest income	208,357,567.03	598,905.21	213,877.64	305,044.71	45,733,655.14	505,538.86	35,614,463.27	100,402,929.08	71,753,922.11	257,706,054.57	205,779,848.48
Interest expense	693,367,681.50	36,781,493.35	111,381.652.56	110,117,808.56	31,010,973.98	6,281,930.06		33,647,050.80		185,674,462.28	836,914,128.53
Total profit	652,924,358.90	-34,372,066.59	-96,763,434.67	-47,504,426.80	526,990,471.12	69,850,828.69	35,155,517.10	399,420,178.39	21,340,181.77	1,035,699,896.14	491,341,711.77
Total assets	69,255,144,435.59	2,840,924,221.08	5,312,801,191.67	6,903,466,047.05	9,835,325,133.52	940,220,563.28	2,965,159,638.37	15,224,911,852.56	4,310,931,437.22	27,651,250,748.02	89,937,633,772.32
Total liabilities	44,410,116,440.66	1,825,068,207.97	5,654,977,075.41	5,408,890,599.58	5,186,829,139.06	402,679,402.69	2,349,876,412.90	3,958,047,580.50	754,321,247.24	13,269,223,570.45	56,681,582,535.56

Supplementary information											
Depreciation and amortization	816,266,140.04	25,899,989.74	37,514,831.84	88,887,653.36	63,921,522.76	2,779,169.48	183,061.80	190,754.17	32,032,725.65	1,974,501.55	1,065,701,347.29
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 description

Applicable Not applicable

7. Other important transactions and matters affecting the decision-making of investors

Applicable Not applicable

(1) According to the *Maximum Amount Pledge Contract* (2010 Shanda Road Zhizi No. 0011) and *Maximum Amount Pledge Contract* (0160200031-2015 Shanda (Zhi) Zi No.0037) signed by the Company 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 July 27, 2010 and October 18, 2016, respectively, the Company takes the toll right of Jinan-Laiwu Section of Beijing-Shanghai 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 pledge period, Jinan Longao Branch of Industrial and Commercial Bank of China Limited provided the company with a loan with a maximum balance of 2,766,624,000.00 yuan. The loan balance as of June 30, 2020 was 1,604,159,492.49 yuan (including 212,102,734.46 yuan due within one year and 1,392,056,758.03 yuan due over one year).

(2) According to the *Maximum Amount Pledge Contract* (0160200031-2018 Shanda Road Zhizi No. 0017) signed between the Company and 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, the Company takes K166+351 to K106+351 sections of Qingdao-Yinchuan Expressway as the pledge, and the period of the main creditor's right period of the pledge is from November 13, 2018 to December 31, 2038 (including the starting date and expiration date of the period). During the pledge period, Jinan Longao Branch of Industrial and Commercial Bank of China Limited provided the company with a loan with a maximum balance of 5,000,000,000.00 yuan, and the loan balance as of June 30, 2020 was 2,260,000,000.00 yuan.

(3) As of June 30, 2020, the Company pledged the road toll right of Jinan-Qingdao Expressway and all the proceeds after the completion of the reconstruction and expansion project of Jinan-Qingdao Expressway, and the mortgage loan balance of Shandong Branch of China Development Bank and Jinan Heping Branch of Agricultural Bank of China Limited was 9,028,300,000.00 yuan, respectively:

The CNY Loan Contract No. 3710201701100000620 was signed with Shandong Branch of China Development Bank on December 15, 2017 with the toll collection right of K246 + 351 to K166 + 351 sections of Jinan-Qingdao Expressway as the pledge and with the loan balance of 4,528,300,000.00 yuan as of June 30, 2020;

The *Fixed Assets Loan Contract of Agricultural Bank of China Co., Ltd.* numbered 37010420170000175 was signed with Jinan Heping Branch of Agricultural Bank of China Co., Ltd on February 16, 2017 with the toll collection right of K323 + 351 to K322 + 237 sections of Jinan-Qingdao

Expressway as the pledge and the loan balance as of June 30, 2020 was 66,000,000.00 yuan; the *Fixed Assets Loan Contract of Agricultural Bank of China Limited* numbered 37010420170000752 was signed with Jinan Heping Branch of Agricultural Bank of China Limited on November 2, 2017 with the toll right of K322 + 236 to K318 + 015 sections of Jinan-Qingdao Expressway as the pledge, and the loan balance as of June 30, 2020 was 250,000,000.00 yuan; the *Fixed Assets Loan Contract of Agricultural Bank of China Co., Ltd* numbered 37010420170000773 was signed with Jinan Heping Branch of Agricultural Bank of China Co., Ltd on November 21, 2017 with the toll right of K318 + 014 to K315 + 650 sections of Jinan-Qingdao Expressway as the pledge and the loan balance as of June 30, 2020 was 140,000,000.00 yuan.

The *Fixed Assets Loan Contract of Agricultural Bank of China Co., Ltd.* numbered 37010420180000047, 37010420180000050, 37010420180000113, 37100201500082936-7, 37100201500082936-8, 37100201500082936-9, 37100201500082936-10, 37100201500082936-11, 37100201500082936-12 was signed between the Company and Jinan Heping Branch of Agricultural Bank of China Co., Ltd on January 26, 2018, January 30, 2018, February 12, 2018, May 16, 2018, June 26, 2018, July 23, 2018, and September 5, 2018, September 17, 2018, and September 21, 2018, respectively, with the toll collection right of K323 + 351 to K247+351 sections of Qingdao-Yinchuan Expressway as the pledge and the loan balance as of June 30, 2020 was 4,044,000,000.00 yuan.

(4) According to the *Fixed Assets Loan Contract* with No. of PSBC43-YYT2019053001 signed by Hunan Hengshao and Changsha Branch of China Post Savings Bank Co., Ltd. on May 30, 2019, the loan amount is 2.989 billion yuan and the loan period is from May 30, 2019 to May 29, 2037. The loan interest rate shall be the benchmark interest rate of loan of the people's Bank of China for CNY with a term of more than five years applicable on the date of withdrawal. It is stated in the terms of the contract that Hunan Hengshao Company will provide pledge guarantee to the lender in the *Maximum Right Pledge Contract* numbered PSBC43-ZY2019053001 with the charging right of Hengshao Expressway as the pledge. As of June 30, 2020, the long-term loan under the pledge contract has been paid off in 2019.

According to the *Fixed Assets Loan Contract* with No. of PSBC43-YYT2019062201 signed by Hunan Hengshao and Changsha Branch of China Post Savings Bank Co., Ltd. on June 22, 2019, the loan amount is 1.809 billion yuan and the loan period is from June 22, 2019 to June 21, 2037. The loan interest rate will be the fluctuating benchmark interest for CNY loan of the People's Bank of China with a term of more than five years applicable to the withdrawal date. 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 June 30, 2020, the long-term loan balance of the loan contract is 1.783 billion yuan, of which the amount due within one year is 30 million yuan, which has been reclassified into the non current liabilities due within one year.

According to the Loan Contract with No. (430114001) NYJZ (2006) No. 005 signed by Hunan Hengshao and Hunan Branch of Agricultural Bank of China on September 25, 2006, the loan amount is 2.9 billion yuan, the actual loan is 1.87 billion yuan, the loan period is from September 30, 2006 to June 30, 2037 and the loan interest rate is the benchmark interest rate subjecting to fluctuation published by the

People's Bank of China for the same period. On December 13, 2012, the *Contract of Pledge of Maximum Amount of Rights* numbered (430114001) with NYGZZ (2012) No. 8 was signed. As of June 30, 2020, the long-term loan balance under the pledge contract was 1.179 billion yuan, of which the amount due within one year is 14 million yuan, which has been reclassified to non current liabilities due within one year.

(5) According to the corporate mortgage contract with No. of ZH1900000035734 signed by Hunan Development and Changsha Branch of China Minsheng Bank Co., Ltd on March 25, 2019, the contract amount is 246 million yuan, the loan period is from March 26, 2019 to March 26, 2029, and the loan interest rate is the benchmark loan interest rate published by the People's Bank of China and applicable to the same period on the contract signing date. The mortgage list of the Company dated September 4, 2019 is attached, with the real estate of No.1 building, Huachuang International Plaza: Rm 3601-6601, No. 109, Section 1, Furong Middle Road, Kaifu District, Changsha City as the mortgage. As of June 30, 2020, the long-term loan balance under the pledge contract was 226 million yuan, of which the amount due within one year is 20 million yuan, which has been reclassified to non current liabilities due within one year.

(6) Jiyuan Jijin Expressway Co., Ltd respectively signed the loan contract and pledge contract with Jiyuan Branch of Industrial and Commercial Bank of China (hereinafter referred to as "Jiyuan Branch of ICBC"), Jiyuan Tiantan Road Branch of China Construction Bank (hereinafter referred to as "Jiyuan Tiantan Road Branch of China Construction bank") and Wulongkou Branch of Henan Jiyuan Rural Commercial Bank Co., Ltd. (hereinafter referred to as "Wulongkou Branch of Henan Agricultural Commercial Bank") with the toll right of Jiyuan-Jincheng Expressway as the pledge. As of June 30, 2020, the long-term loan balance under the pledge contract was 385,000,000.00 yuan (including 57,000,000.00 yuan due within one year and 328,000,000.00 yuan due over one year) as follows:

On April 30, 2009, *CNY Capital Loan Contract* numbered JJGG (2009) No. 001 and *Right Pledge Contract* numbered JJGG (2009) No. 001-z01 was signed with Jiyuan Tiantan Road Branch of China Construction Bank; the loan balance was 41,000,000.00 yuan (including: 20,000,000.00 yuan due within one year and 21,000,000.00 yuan due over one year);

On June 30, 2015, *CNY Fixed Asset-supported Financing Loan Contract* numbered JYZ (2015) No. 0057 and *Pledge Contract* numbered ZZ (2015) No. 0057-1 was signed with Jiyuan Branch of Industrial and Commercial Bank of China; the loan balance was 290,000,000.00 yuan (including: 30,000,000.00 yuan due within one year and 260,000,000.00 yuan due over one year);

On November 25, 2015, *Loan Contract of Jiyuan Rural Commercial Bank Co., Ltd.* numbered JNSJZ (2015) No. 0901002090 and *Pledge Guarantee Contract of Jiyuan Rural Commercial Bank Co., Ltd.* numbered JNSZZ (2015) No. 0901002092 was signed with Wulongkou Branch of Henan Agricultural Commercial Bank, and the loan balance was 54,000,000.00 yuan (including: 7,000,000.00 yuan due within one year and 47,000,000.00 yuan due over one year);

(7) According to the Fixed Asset-supported Financing Loan Contract (016020016-2016 (Shizhong) No. 00002) signed between Wujing Expressway and Jinan Shizhong Branch of Industrial and Commercial Bank of China on January 4, 2016 and Jinan Shizhong Branch of Industrial and Commercial Bank of China provides fixed asset financing loan to Wujing Expressway and agrees to use the charge right and

all its income of the financing asset (Wuhan to Jingmen Section of Shanghai-Chengdu Expressway) as the pledge. As of June 30, 2020, the long-term loan balance under the pledge contract was 4,927,730,000.00 yuan (including: 441,250,000.00 yuan due within one year and 4,486,480,000.00 yuan due over one year).

8. Others

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

(2). Classified disclosure by bad debt provision method

Applicable Not applicable

(3). Reserves for bad debts

Applicable Not applicable.

In which, the amount of bad debt reserves recovered or reversed in the current period is important:

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

(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 instructions:

Applicable Not applicable

2. Other receivables

List of items

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance	Beginning balance
Interest receivable		
Dividends receivable	75,037,985.75	
Other receivables	6,391,760,130.04	4,489,749,765.83
Total	6,466,798,115.79	4,489,749,765.83

Other instructions:

Applicable Not applicable

Interest receivable**(1). Classification of interest receivable**

Applicable Not applicable

(2). Important overdue interest

Applicable Not applicable

(3). Provision for bad debts

Applicable Not applicable

Other instructions:

Applicable Not applicable

Dividends receivable**(4). Dividends receivable**

Applicable N/A

Project (or invested entity)	Ending balance	Beginning balance
Jinan Changing Transportation Infrastructure Investment Fund Partnership	75,037,985.75	
Total	75,037,985.75	

(5). Important dividends receivable with an age of over one year

Applicable Not applicable

(6). Provision for bad debts

Applicable Not applicable

Other instructions:

Applicable Not applicable

Other receivables**(7). Disclosure by account receivable age**

Applicable Not applicable

Unit: Yuan Currency: RMB	
Aging	Ending book balance
Sub-total within 1 year	4,270,789,414.17
1-2 years	592,806,101.67
2-3 years	599,480,651.27
3-4 years	238,615,362.50
4-5 years	215,190,749.20
Over 5 years	477,574,160.66
Total	6,394,456,439.47

(8). Classification by nature of receivables

Applicable Not applicable

Unit: Yuan Currency: RMB		
Nature of receivables	Ending book balance	Beginning book balance

Advances and other transactions of subsidiary	6,394,456,439.47	4,425,695,749.97
Toll split		66,750,325.29
Total	6,394,456,439.47	4,492,446,075.26

(9). Provision for bad debts

Applicable Not applicable

Unit: Yuan Currency: RMB

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 (with credit impairment occurred)	
January 1, 2020 Balance	2,662,626.93		33,682.50	2,696,309.43
January 1, 2020 Balance in the current period				
- into Phase II				
- into Phase III				
- back to Phase II				
- back to Phase I				
Accrual in current period				
Amount reversed in current period				
Amount resold in current period				
Amount written off in current period				
Other changes				
June 30, 2020 Balance	2,662,626.93		33,682.50	2,696,309.43

Explanation for significant changes in book balance of other receivables with changes in loss reserves in the current period:

Applicable Not applicable

Basis for the adoption of the accrual amount of bad debt reserves in the current period and the assessment of whether the credit risk of financial instruments has increased significantly:

Applicable Not applicable

(10). Reserves for bad debts

Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Current change amount

	Beginning balance	Accrual	Recovery or reversal	Resale or writing off	Other changes	Ending balance
Bad debts of other receivables	2,696,309.43					2,696,309.43
Total	2,696,309.43					2,696,309.43

In which, the amount of bad debt reserves reversed or recovered in the current period is important:

Applicable Not applicable

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

Applicable Not applicable

Explanation for write-off of other receivables:

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan Currency: RMB

Company name:	Nature of receivables	Ending balance	Aging	Proportion in total ending balance of other receivables (%)	Ending balance of bad debt reserves
Hunan Hengshao Expressway Co., Ltd.	Principal and interest	1,745,437,191.45	1-7 years	27.3	
Jinan Changying Jinhai Investment Partnership (Limited Partnership)	Intercourse funds	1,456,080,000.00	Within 1 year	22.77	
Shandong Hi-Speed Investment Development Co., Ltd.	Principal and interest	1,169,990,941.93	5-6 years	18.3	
Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.	Principal and interest	360,263,905.35	Within 1 year	5.63	
Yantai Hesheng Real Estate Development Co., Ltd.	Principal and interest	254,530,000.00	Within 1 year	3.98	
Total	/	4,986,302,038.73	/	77.98	

(13). Receivables related to government subsidies

Applicable Not applicable

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

Applicable Not applicable

(15). Amount of assets and liabilities formed by transfer of other receivables and continuous involvement

Applicable Not applicable

Other instructions:

Applicable Not applicable

3. Long-term equity investment

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Ending balance			Beginning balance		
	Book balance	Impairment reserves	Book value	Book balance	Impairment reserves	Book value
Investment in subsidiaries	13,955,721,936.00		13,955,721,936.00	14,682,540,943.38		14,682,540,943.38
Investment in joint ventures and associated enterprises	7,550,718,310.57		7,550,718,310.57	7,402,022,274.35		7,402,022,274.35
Total	21,506,440,246.57		21,506,440,246.57	22,084,563,217.73		22,084,563,217.73

(1) Investment in subsidiaries

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

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 Jin'an Investment Partnership (Limited Partnership)	2,456,080,000.00		2,456,080,000.00			
Jinan Changying Jinhai Investment Partnership (Limited Partnership)		7,000,000.00		7,000,000.00		

Hubei Wujing Expressway Development Co., Ltd	1,481,824,942.90			1,481,824,942.90		
Jinan Changying Jincheng Equity Investment Partnership (Limited Partnership)	5,010,000,000.00			5,010,000,000.00		
Total	14,682,540,943.38	1,729,260,992.62	2,456,080,000.00	13,955,721,936.00		

(2) Investment in joint ventures and associated enterprises

√Applicable □ Not applicable

Unit: Yuan Currency: RMB

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.	50,870,462.10			62,822.55						50,933,284.65	
Subtotal	50,870,462.10			62,822.55						50,933,284.65	
II. Associated enterprises											
Weihai City Commercial Bank Co., Ltd. (Headquarter)	2,659,454,352.14			102,882,519.55	43,049,665.45		69,395,798.70			2,735,990,738.44	
Shandong High-Speed Logistics Group Co., Ltd.	692,500,766.48			17,422,492.56						709,923,259.04	

Shandong Hi-Speed Engineering Consulting Co., Ltd.	61,883,479.57			6,465,396.96					68,348,876.53	
Shandong Hi-Speed Yingli New Energy Co., Ltd.	23,993,777.36			-1,277,743.05					22,716,034.31	
Shandong Hi-Speed Green Ecology Development Co., Ltd.	18,773,771.68			-559,569.50					18,214,202.18	
Dongxing Securities Company, Ltd.	2,372,539,748.49			41,091,685.00					2,413,631,433.49	
Fujian Longma Environmental Sanitation Equipment Co., Ltd.	414,739,204.41			5,000,000.00			4,134,026.52		415,605,177.89	
Shandong Environmental Protection Industry Co., Ltd.	8,616,004.03			-450,709.06					8,165,294.97	
Jinan Changying transportation infrastructure investment fund partnership	678,033,236.41			75,037,985.75			75,037,985.75		678,033,236.41	

(limited partnership)										
Qingdao Changying Jinpeng Equity Investment Partnership	420,617,471.68			8,539,300.98						429,156,772.66
Subtotal	7,351,151,812.25			254,151,359.19	43,049,665.45		148,567,810.97			7,499,785,025.92
Total	7,402,022,274.35			254,214,181.74	43,049,665.45		148,567,810.97			7,550,718,310.57

Other instructions:

Applicable Not applicable

4. Operating revenue and operating cost**(1). Operating revenue and operating cost**√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period		Amount incurred in previous period	
	Income	Cost	Income	Cost
Main business	1,615,755,595.71	1,377,853,719.10	2,271,214,291.96	1,112,363,760.20
Other businesses	470,890.69	2,213,630.02	9,788,012.35	1,914,930.02
Total	1,616,226,486.40	1,380,067,349.12	2,281,002,304.31	1,114,278,690.22

(2). Incomes from contract Applicable Not applicable**(3). Explanation for performance obligations** Applicable Not applicable**(4). Explanation for allocation to remaining performance obligations** Applicable Not applicable

Other instructions:

None.

5. Incomes from investment√Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount incurred in current period	Amount incurred in previous period
Income from long-term equity investment based on cost method	725,026,860.64	
Long-term equity investment income calculated by the equity method	254,214,181.74	269,328,221.70
Investment income from disposal of long-term equity		
Investment income of trading financial assets during the holding period		
Dividend income of other equity instrument investment during holding period		
Interest income of debt investment during holding period		
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		
Total	979,241,042.38	269,328,221.70

Other instructions:
None.

6. Miscellaneous

Applicable Not applicable

XVIII. Supplementary information

1. Current non-recurring profit and loss statement

Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Amount	Description
Profit or loss on disposal of non-current assets	3,205,543.13	Mainly from disposal of fixed assets
Tax return or reduction approved beyond authority or without formal approval documents		
Government subsidies included in the current profits and losses (closely related to the business of the enterprise, except the government subsidies entitled according to the unified national standard quota or quantitative)	11,636,163.80	Mainly from government support funds and other subsidies.
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 Group
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		
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	8,361,445.02	Mainly from highway property compensation
Other profit or loss items in line with definition of non-recurring profit or loss		
Affected amount of income tax	-4,104,461.66	
Affected amount of minority shareholders' equity	-83,362,769.14	
Total	117,568,681.52	

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	0.77	0.053	0.053
Net profit attributable to common shareholders after deducting non-recurring profit and loss	0.44	0.029	0.029

3 Accounting data differences under domestic and foreign accounting standards

Applicable Not applicable

4. Others

Applicable Not applicable

Section XI List of Documents Available for Inspection

Contents of reference file	Financial statements of Shandong Hi-speed Co., Ltd. in 2020
	Originals of all company documents and announcements publicly disclosed on the media and websites designated by CSRC during the reporting period.

Chairman: Sai Zhiyi

Date of approval by the board of directors: August 26, 2020

Revision information

Applicable Not applicable