

Company Code: 600350

Abbreviation of Company: Shandong Expressway

Shandong Hi-Speed Company Limited

Annual Report 2021

This report is prepared in Chinese and English respectively. In case of any ambiguity in the understanding of the Chinese and English texts, the Chinese version shall prevail.

Important

I. The Board of Directors, Board of Supervisors, and the directors, supervisors and senior management of the Company warrant that there are no false records, misleading statements or material omission contained in this report and will jointly and severally bear legal responsibility for the truthfulness, accuracy and completeness of all information covered in this report.

II. All directors of the Company attended the Board meeting.

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

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

V. Plan for profit distribution or plan for common reserves capitalizing for the reporting period reviewed by the board of directors

After being audited by Shinewing Certified Public Accountants (Special Partnership), the net profit attributable to owners of the parent company after consolidation is CNY 3,052,287,782.41, where: the net profit achieved by the parent company is CNY1,875,797,195.32. The statutory reserves of CNY187,579,719.53 was withdrawn at the ratio of 10% of the net profit achieved by the parent company, and the remaining undistributed profits was CNY1,688,217,475.79. The accumulated distributable profits of parent company in 2021 is CNY15,912,152,987.24.

On the basis of 4,811,165,857 capital shares as of December 31, 2021, the Company proposes to distribute a cash dividend of CNY4.00 (tax inclusive) for every 10 shares to all shareholders, with CNY1,924,466,342.80 in total. The Company is not intended to convert reserves to share capital.

In case of any change, which may be caused by conversion of convertible bonds/share repurchase/incentive share repurchase for cancellation/share repurchase for cancellation after major asset restructuring, in its total share capital prior to the record date of shareholders for profit distribution plan, the Company proposes to maintain the distribution ratio per share unchanged, and to adjust the total distribution amount accordingly.

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 any 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 there are any external guarantees violating the specified decision-making process

No

IX. Whether more than half of the directors are unable to guarantee the truthfulness, accuracy and completeness of the Annual Report disclosed by the Company

No

X. Major Risk Warning

The Company has detailed and analyzed the possible risks in the operation and development of the Company and proposed risk precaution measures in the section of "Management discussion and analysis" herein, and we request investors' attention.

XI. Other

Applicable Not applicable

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

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Financial statements with the signatures and stamps of the head of the Company, the one who is in charge of accounting affairs, the head of the accounting department

Original audit report with the stamp of accounting firm and the signature and stamp of certified public accountant

Originals of all company documents and public announcements publicly disclosed during the reporting period

Section I Definition

I. Definitions

Unless the context otherwise requires, the following terms used in this report shall have the meanings below:

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

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

Railway Construction Equipment Company	refers to	Shandong High Speed Railway Construction Equipment Co., Ltd.
Qilu Expressway	refers to	Qilu Expressway Co., Ltd.
ECON TECH, ECON Company	refers to	ECON Technology Co., Ltd
Transportation Infrastructure Investment Fund	refers to	Jinan Changying Transportation Infrastructure Investment Fund Partnership (Limited Partnership)
Dalailong Railway Project	refers to	Dalailong Railway Expansion and Reconstruction Project
Pinglan Railway Project	refers to	Pinglan Railway Expansion and Reconstruction Project

Section II Company Profile and Main Financial Indicators

I. Company profile

Chinese Name of the Company	山东高速股份有限公司
The Chinese Abbreviation of the Company	山东高速
English Name of the Company	Shandong Hi-speed Company Limited
The English Abbreviation of the Company	SDHS
Legal Representatives of the Company	Sai Zhiyi

II. Contact person and information

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

III. Basic Information

Registered Address of the Company	Block A, Qixing Jixiang Building, No. 29 Wenhua East Road, Jinan, Shandong, China
Historical Changes of the Company's Registered Address	On June 24, 2002, the address was changed from "15th Floor, Bank of China Building, No. 22 Luoyuan Street, Jinan City" to "Shandong University Science and Technology Park Entrepreneurship Center, No. 71 Jingshi Road, Jinan City"; On May 11, 2006, the address was changed from "Shandong University Science and Technology Park Entrepreneurship Center, No. 71, Jingshi Road, Jinan City," to "Block A, Qixing Jixiang Building, No. 29 Wenhua East Road, Jinan City".
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. Information Disclosure and Place for Inspection

Media to which the Company's Annual Report is disclosed and their website	<i>China Securities Journal</i> (www.cs.com.cn), <i>Shanghai Securities News</i> (www.cnstock.com), <i>Securities Times</i> (www.stcn.com), <i>Securities Daily</i> (www.zqrb.cn)
Website of the stock exchange to which the Company's Annual Report is disclosed	http://www.sse.com.cn
Place for Inspection of Annual Reports	No. 5006, Aoti Middle Road, Jinan City, Shandong Province, Shanghai Stock Exchange

V. Company stock profile

Profiles of the Company's Shares				
Type of Shares	Place of Listing of	Stock Abbreviation	Stock code	Stock Abbreviation

	the Company's Shares			Before Change
A Share	Shanghai Stock Exchange	Shandong Hi-Speed	600350	Shandong Infrastructure

VI. Other relevant information

Information of the accounting firm appointed by the Company (domestic)	Sintered hollow bricks	Shinewing Certified Public Accountants (Special Partnership)
	Business address	8/F, Block A, Fuhua Mansion, No.8 Chaoyangmen Beidajie, Dongcheng District, Beijing, China
	Names of Signatory Accountants	Bi Qiang, Lyu Yuliei

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

(I) Major Accounting Data

Unit: Yuan; Currency: CNY

Major accounting data	2021	2020		Year-on-year increase or decrease (%)	2019	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Operating revenue	16,203,578,427.97	13,003,370,230.12	11,365,164,781.15	24.61	11,958,408,690.91	10,414,550,126.20
Net profit attributable to shareholders of the Listed Company	3,052,287,782.41	2,280,635,743.62	2,038,999,018.13	33.83	3,357,958,644.71	3,126,071,417.08
Net profit attributable to shareholders of the Listed Company after deducting non-recurring profit or loss	2,688,727,369.62	1,860,050,653.69	1,860,050,653.69	44.55	2,545,174,621.61	2,545,174,621.61
Net cash flows from operating activities	9,794,487,069.68	5,447,227,594.53	4,309,087,074.78	79.81	7,833,826,734.03	6,463,592,100.07
	At the end of 2021	At the end of 2020		Year-on-year increase or decrease (%)	End of 2019	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Net assets attributable to shareholders of the Listed Company	37,198,086,733.76	32,579,127,239.95	31,450,761,771.47	14.18	35,202,413,926.15	32,121,191,628.12
Total assets	125,906,162,155.63	99,677,412,102.34	92,917,303,523.92	26.31	96,013,533,127.86	80,359,625,413.3

(II) Major Financial Indicators

Major Financial Indicators	2021	2020		Year-on-year increase or decrease (%)	2019	
		After adjustment	Before adjustment		After adjustment	Before adjustment
Basic earnings per share (yuan/share)	0.597	0.453	0.402	31.79	0.698	0.646
Diluted earnings per share (yuan/share)	0.596	0.451	0.401	32.15	0.698	0.646
Basic earnings per share after deducting non-recurring profit or loss (yuan/share)	0.522	0.365	0.365	43.01	0.527	0.527
Weighted average return on equity (%)	9.87	6.86	6.30	Increased by 3.01 pcts	10.69	10.08
Weighted average return on net assets after deducting non-recurring profit or loss (%)	8.77	5.82	5.82	Increased by 2.95 pcts	8.97	8.97

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

Applicable Not applicable

In November 2021, the Company acquired 38.925% stake of Qilu Expressway Co., Ltd. held by the controlling shareholder, Hi-Speed Group, which is a business consolidation under the same control, and in accordance with the accounting standards, the Company adjusted the financial data of previous years retrospectively.

VIII. Differences in accounting data calculated in accordance with domestic and foreign accounting standards respectively**(I) Differences of net profit and net assets attributable to shareholders of the Listed Company in the financial report disclosed in accordance with the International Accounting Standards and Chinese Accounting Standards**

Applicable Not applicable

(II) Differences of net profit and net assets attributable to shareholders of the Listed Company in the financial report disclosed in accordance with both foreign accounting standards and Chinese Accounting Standards

Applicable Not applicable

(III) Explanation on the difference between domestic and foreign accounting standards:

Applicable Not applicable

IX. Major Quarter Financial Data in 2021

Unit: Yuan; Currency: CNY

	First quarter (January - March)	Second quarter (April-June)	Third quarter (July-September)	Fourth quarter (October-December)
Operating revenue	3,379,823,012.41	4,103,375,662.72	3,903,933,128.03	4,816,446,624.81
Net profit attributable to shareholders of the Listed Company	674,988,963.75	818,747,854.69	826,081,676.24	732,469,287.73
Net profit attributable to shareholders of the Listed Company	579,289,525.03	722,565,537.08	704,074,444.61	682,797,862.90

after deducting non-recurring profit or loss				
Net cash flow from operating activities	2,764,647,757.09	896,549,673.97	1,577,986,961.85	4,555,302,676.77

Explanations of differences between quarterly data and data disclosed in regular reports

Applicable Not applicable

The difference in the first, second and third quarters is mainly caused by the retroactive adjustment for merging Qilu Company under the same control.

X. Extraordinary items and amount

Applicable Not applicable

Unit: Yuan; Currency: CNY

Non-recurring items	Amount of 2021	Note (if applicable)	Amount of 2020	Amount in 2019
Gains from disposal of non-current assets	-16,990,727.00	Mainly from disposal of fixed assets	-18,996,597.72	484,378,503.37
Tax return or reduction approved beyond authority or without formal approval documents or happening occasionally				
Government subsidies included in the profit or 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	90,117,048.53	Mainly for construction compensation and various incentive grants	78,000,402.78	29,188,375.13
Fund possession fee from non-financial enterprises included in the profit or loss				24,963,665.49
Gain from the difference between the investment cost for acquisition of subsidiaries, joint ventures or associated enterprises and the fair value of the identifiable net assets of the investees on the date of investment which is to be enjoyed by the Company				
Gain from non-monetary assets exchange				
Gain from entrusted assets investment or management				
Various asset impairment reserves accrued due to force majeure such as natural disaster				
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				
Current net profit or loss of subsidiaries from the beginning of the period to the combination date arising from business combination under the same control	724,944,893.28	For merging Qilu Expressway	802,607,906.15	757,453,567.61
Profit or loss arising from the contingencies irrelevant to normal business operation of the Company				
In addition to the effective hedging business related to the Company's normal business operations, the gains and losses from fair value changes generated by holding trading financial assets, derivative financial assets, trading financial liabilities and derivative financial liabilities, and investment incomes obtained from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other debt investment				6,615,000.00
Reversal of provisions for impairment for receivables subject to separate impairment test and contract assets				109,439,615.28
Gain 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 the 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	48,226,311.05	Mainly from	62,349,030.87	23,993,867.28

and expenses except above		highway property compensation and gains		
Other profit or loss items in line with definition of non-recurring profit or loss				
Minus: affected amount of income tax	27,383,939.84		23,424,898.05	182,513,369.23
Amount affected of minority shareholders' equity (after tax)	455,353,173.23		479,950,754.10	440,735,201.83
Total	363,560,412.79		420,585,089.93	812,784,023.10

Statements about defining the non-recurring items listed in the Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public - Non-recurring Profit as recurring items

Applicable Not applicable

XI. Items Measured at Fair Value

Applicable Not applicable

Item Description	Beginning balance	Ending balance	Current change	Amount affecting current profits
Shandong Hi-Speed Culture Media Co., Ltd.	17,614,686.36	5,924,195.40	-11,690,490.96	
Shandong Weilai High Speed Railway Co., Ltd.	31,626,837.00	31,626,837.00	0.00	
Shandong Railway Investment Holding Group Co., Ltd.	300,000,000.00	323,236,850.94	23,236,850.94	
Shandong Weiyuan High Speed Railway Co., Ltd.		59,350,000.00	59,350,000.00	
Shaoyang Haishang Ecological Agriculture Technology Co., Ltd		1,501,956.00	1,501,956.00	
Nanfang Cement Receivables No. 1 Asset-Backed Special Plan	35,709,250.00		-35,709,250.00	
Yike Tower Investment Project	563,893,198.11	563,893,198.11	0.00	
BOCOM Schroders-Champion Rental Asset-Backed Special Plan	37,879,166.67		-37,879,166.67	
Structural deposits	452,568,219.18		-452,568,219.18	
Financial products	12,235,910.04		-12,235,910.04	

Foreign Trade Trust - Xincheng 30: PPP project trust of Shijiazhuang International Exhibition Center		140,000,000.00	140,000,000.00	
Hubei Zhaoying New energy Industry Investment Fund Partnership (Limited Partnership)		97,090,000.00	97,090,000.00	
Receivable financing	150,364,832.63	123,809,683.09	-26,555,149.54	
Total	1,601,892,099.99	1,346,432,720.54	-255,459,379.45	

XII. Miscellaneous

√Applicable Not applicable

Toll revenue and traffic volume of each section

Unit: Hundred million yuan or ten thousand vehicles

Name of road section	2017		2018		2019		2020		2021	
	Toll	Traffic	Toll	Traffic	Toll	Traffic	Toll	Traffic	Toll	Traffic
Jinan-Qingdao	24.01	(3,664)	12.3	2,568	19.89	3,162	29.68	4,613	36.65	5,067
Relevant sections of	19.08	5,012	19.3	4,692	17.67	4,709	8.53	3,052	11.95	3,192
Jinan-Laiwu	4.28	782	5.23	977	4.55	1,193	3.8	1,400	4.61	1,370
Tai'an-Qufu Road	0.25	340	0.26	362	0.3	317	0.25	585	0.24	583
Xuchang-Yuzhou	1.73	337	2.08	399	1.98	398	1.37	366	1.42	340
Weihai-Rushan	1.3	564	1.36	594	1.4	601	1.1	671	1.32	600
Jinan Yellow River	0.13	88	-	-	-	-	-	-	-	-
Jinan Yellow River	4.78	-	5.03	-	5.09	-	2.83	-	3.55	-
Binzhou Yellow River	0.06	56	-	-	-	-	-	-	-	-
Pingyin Yellow River	0.78	362	-	-	-	-	-	-	-	-
Weifang-Laiyang	2.98	628	2.66	631	2.96	698	2.7	644	3.55	524
Hengshao Expressway	2.04	246	2.18	320	2.23	283	1.81	253	2.51	314
Lijin Yellow River	1.16	729	1.24	772	0.65	479	0.43	471	0.78	609
Henan Jiyuan-Jincheng	-	-	1.13	108	2.69	278	1.3	92	1.98	88
Hubei Wujing Freeway	-	-	8.79	808	9.71	948	7.12	752	10.19	890
Sichuan	-	-	-	-	-	-	-	-	3.32	257
Jinan-Heze Expressway	-	-	-	-	-	-	-	-	12.85	2844
Dezhou-Shangrao	-	-	-	-	-	-	-	-	4.87	2018
Xinnan Expressway	-	-	-	-	-	-	-	-	0.54	363
Total	62.58	12,808	61.56	12,231	69.12	13,066	60.92	12,899	100.32	19,059

Note: 1. In order to maintain data comparability, the Company adjusted the traffic statistics caliber to Tai'an-Qufu road section and Lijin Yellow River Highway Bridge as the total entrance traffic, and other road sections as the exit traffic (free vehicles are not included in the traffic volume of Jinan-Heze Expressway, Dezhou-Shangrao Expressway, and Xinnan Expressway), and adjusted the previous data; toll revenue is tax-included.

2. The Company's business tax has been changed to value-added tax since May 2016. As the value-added tax is a tax included in price, the toll income in the profit statement is the net amount after deducting VAT, and the toll income in the foregoing table is amount actually received, and they are different from each other; 3. Consolidated statements have been applied for Jincheng-Jiyuan Expressway since September, 2018, so only data from September to December are indicated herein for 2018. 4. According to the notice of the Ministry of Transport, from February 17 00:00, 2020 to May 6 00:00, toll roads across the country were free of charge. The free policy was implemented for 79 days, and the traffic volume of 2020 in this table includes 79 days of free traffic.

Section III Management Discussion and Analysis

I. Operation Discussion and Analysis

The Company's income and profit mainly come from road and bridge operation, railway transportation and investment operation etc., and the contribution of upstream and downstream investment in the Company's expressway industry chain to the Company's profit is gradually emerging. In 2021, the Company's annual operating revenue reached CNY 16.204 billion, including toll revenue of CNY 9.776 billion, railway transportation revenue of CNY 2.109 billion, commodity sales revenue of CNY 1.944 billion, net profit attributable to the parent company of CNY 3.052 billion, and investment revenue of CNY 1975 million.

(I) Road and bridge operation

1. Business performance and analysis

In 2021, the Company's road and bridge operation improved steadily and discovered new horizons. First, the Company fully applied the "Road Leader Policy", and built a three-level-linkage grid management system, which was recognized by industry experts. The Company issued two standards, and the "96659 hotline" was designated as a well-known brand in Shandong, showing the hard power of road and bridge operation. Second, the Company promoted the first 27 topics of "full-time pass" to research and innovate the "pass code" system, and apply accurate control measures such as speed limit and traffic restriction replacing road closure. The resulting number and duration of traffic control by various units in the province decreased by 38% and 43% respectively. Outstanding results have been achieved in the special treatment of congestion at toll stations, with traffic efficiency increasing by 30% during peak hours. Third, the Company promoted the upgrading of maintenance work and carried out research and demonstration of green and low-carbon maintenance technology. The recovery rate of pavement materials reached 100% and the recycling rate reached more than 95%. The Company implemented AI assisted patrol inspection, and the coverage and popularization rate of scientific maintenance reached more than 80%, which realized the full-time health monitoring of the key bridges and tunnels. One of the Group's standards was introduced and released at the world transportation conference, polishing the Company's maintenance and operation brand.

In 2021, the Company realized toll revenue (tax-inclusive) of CNY 10.032 billion, and the average daily toll revenue (tax-inclusive) of CNY 27.4838 million. The basic operating data of each road section during the reporting period are as follows:

By ten thousand yuan

S/N	Name of road section	Average daily in 2020	Average daily in 2021	Year on year
1	Jinan-Qingdao Expressway	1034.03	1004.10	-2.89%
2	Relevant sections of Beijing-Taibei Expressway	297.09	327.51	10.20
3	Jinan-Laiwu Expressway	132.49	126.34	-4.67%
4	Tai'an-Qufu section of National Highway G104	8.87	6.64	-25.82%
5	Xuchang-Yuzhou Expressway	47.78	38.84	-18.59%
6	Weihai-Rushan Expressway	38.18	36.11	-5.29%
7	Jinan Yellow River Second Bridge	98.64	97.16	-1.40%
8	Weifang-Laiyang Expressway	94.00	97.18	3.47%
9	Hengshao Expressway	63.03	68.74	9.11%
10	Lijin Yellow River Highway Bridge	14.85	21.26	43.91%

11	Henan Jiyuan-Jincheng Expressway	45.35	54.28	19.63%
12	Hubei Wujing Freeway	248.15	279.07	12.50%
13	Sichuan Luzhou-Chongqing Expressway	-	91.03	-
14	Jinan-Heze Expressway	-	351.93	-
15	Dezhou-Shangrao Expressway	-	133.41	-
16	Xinnan Expressway	-	14.78	-
	Total	2122.45	2748.38	29.49%

Note: ① 1. There were 365 charging days in 2021 and 2019, and $365-79 = 286$ days in 2020. ② The VAT on expressway vehicle tolls was levied at the simple tax rate of 3%; the VAT on tolls of first-class roads, second-class roads, bridges, and gates are levied at the simple tax rate of 5%. ③ The average daily in 2019, 2020 and 2021 in this table are the original data converted from Yuan to 10,000 Yuan with two decimal places kept. The year-on-year data are calculated from the original with two decimal places kept.

(1) The main reason of changes in Jinan-Qingdao Expressway: First, the Zibo section of Binzhou-Laiwu Expressway at the intersection of Jinan-Qingdao Expressway restricted trucks with five axles and above in two directions from 0:00 on May 31, 2021 to 24:00 on August 31, 2021 (extended to September 20), resulting in a short-term decline in traffic flow. Second, the connecting roads of several toll stations of Jinan-Qingdao Expressway were closed for construction, resulting in a short-term decline in traffic flow. Third, affected by severe weather such as rainstorm and lightning in flood season, the traffic control, road closure and traffic restriction were more frequent than previous years.

(2) The main reason of changes in relevant sections of Beijing-Taibei Expressway: On July 16, 2021, the Dezhou-Qihe section of Beijing-Taibei Expressway was reconstructed and expanded.

(3) The main reason of changes in Jinan-Laiwu Expressway: In 2020, the adjacent road sections were closed for construction, and some vehicles were diverted to Jinan-Laiwu Expressway, resulting in a short-term increase in the traffic flow and a larger base.

(4) The main reason of changes in Tai'an-Qufu section of National Highway G104: On September 29, 2021, the reconstruction and expansion project of Tai'an-Zaozhuang section of Beijing-Taibei Expressway, which is parallel to Tai'an-Qufu section of National Highway G104, was completed and opened to traffic.

(5) The main reason of changes in Xuchang-Yuzhou Expressway: In 2021, affected by the flood and epidemic in Henan, the traffic flow decreased in the short term.

(6) The main reason of changes in Weihai-Rushan Expressway: Wendeng-Laiyang Expressway was opened to traffic on September 30, 2020, which has a certain diversion effect on Weihai-Rushan Expressway.

(7) The main reasons of changes in Jinan Yellow River Bridge No.2: Jinan Yellow River Bridge No.2 is a part of Beijing-Taibei Expressway, so the reconstruction and expansion of Beijing-Taibei Expressway in 2021 brought the changes.

(8) The main reason of changes in Weifang-Laiyang Expressway: Wendeng-Laiyang Expressway was opened to traffic on September 30, 2020, which has a certain diversion effect on Weifang-Laiyang Expressway.

(9) The main reason of changes in Hengyang-Shaoyang Expressway: During June to December 2021, the Hunan section of Quannan Expressway, which is parallel to Hengyang-Shaoyang Expressway, was overhauled.

(10) The main reason of changes in Lijin Yellow River Highway Bridge: The flood season in 2020 became longer, resulting less traffic days of adjacent floating bridges, which brought the changes.

(11) The main reason of changes in Henan Jiyuan-Jincheng Expressway: The traffic conditions of parallel national highways became worse in flood season, which caused the vehicles diverted to Henan Jiyuan-Jincheng Expressway.

(12) The main reason of changes in Hubei Wuhan-Jingmen Expressway: the low base number affected by the epidemic in 2020.

2. Reconstruction and expansion of core highway property

First, the Beijing-Taipei Deqi Project was opened to traffic 18 months in advance, becoming the first key project opened to traffic during the 14th Five-Year Plan period in Shandong. This project was honored as "Worker Pioneer" and won the "Top Ten Projects" award for news publicity of major highway projects in China.

Second, the Beijing-Taipei Jitai Project resumed two-way traffic six months in advance and completed the acceptance of the left part of main project, which brought good economic and social benefits, and was successfully selected into the first batch of demonstration projects of "Century Safe and Quality Projects" by the Ministry of Transport.

(II) Investment operation

In 2021, the Company achieved a new breakthrough in investment. First, in terms of main business investment, the Company completed the acquisition of 38.93% controlling stake in Qilu Expressway, realizing the first "A-shares controlling H-shares" case in the industry, and the total operating mileage of the Company exceeded 2800 kilometers. Second, in terms of industrial expansion, the Company completed the acquisition of ECON TECH, increasing a revenue of CNY233 million in the year. Third, in terms of financial investment, the Company realized an income of CNY375 million. Fourth, in terms of withdrawal of non-main business, the Company withdrew 40% equity of Jitai mining and 30% equity of environmental protection industry. Fifth, in terms of asset management, 840 mu of land and 4790 square meters of real estate were revitalized through cooperative formats such as commercial office, logistics and warehousing, with an additional income of CNY4.98 million; 409 advertising media were revitalized, bringing contracts worth CNY52.69 million in total. In 2021, the Company realized an investment income of CNY975 million. The composition of return on investment is as follows:

By ten thousand yuan

Item	Amount incurred in 2021	Amount incurred in 2020	Year on year
Long-term equity investment income calculated by the equity method	51,889.05	57,083.89	-9.10%
including: Weihai Commercial	18,290.27	19,705.88	-7.18%
Dongxing Securities	5,910.15	7,293.17	-18.96%
Guangdong Expressway A	16,460.09	6,870.95	139.56%
FULONGMA	2,021.12	2,570.63	-21.38%
Investment income of trading financial assets during the holding period	6,285.02	49,848.53	-87.39%
including: Evergrande Real Estate Group Co., Ltd.	—	43,978.66	—
Yike Tower Investment Project	4,468.35	4,468.35	—
Interest income of debt investment during the holding period	37,540.07	39,934.20	-6.00%
including: New and Old Kinetic Energy Conversion Fund Project	10,340.06	20,944.63	-50.63%
BOE Project	—	3,808.29	—
Others	27200.01	15,181.28	79.17%
Investment income from disposal of long-term equity	1,795.86	931.64	92.76%
including: equity of Engineering Consulting Company	—	873.70	—
Shandong Environmental Protection Industry Co., Ltd.	730.53	—	—
Shandong Hi-Speed Jitai Mining	168.72	—	—

Investment Co., Ltd.			
Total return on investment	97510.01	147798.26	-34.02%

Note: (1) For the investment income contributed by long-term equity investment accounted by equity method, see Statement VII, note-17 of consolidated financial statements, long-term equity investment for details.

(2) The change in investment income of trading financial assets during the holding period is mainly caused by the Company's failure to receive equity dividends from Evergrande Real Estate Group Co., Ltd. this year.

(3) For details of the return on investment contributed by the interest income from debt investment during the holding period, see Statement VII, note-14 of consolidated financial statements, debt investment for details.

(4) The investment income from the disposal of long-term equity investment is mainly the income from Company's transfer of the equity of non-main business projects: Shandong Environmental Protection Industry Co., Ltd. and Shandong Hi-Speed Jitai Mining Investment Co., Ltd.

(III) Information of Rail Transit Group

In 2021, Shandong Hi-speed Rail Transit Group Co., Ltd. achieved operating revenue of CNY4.338 billion; net profit attributable to parent company was CNY332 million, a year-on-year increase of 2.21%.

1. Focus on the main responsibility and business, and steadily improve the quality and efficiency of railway transportation. The railway freight sector realized an operating revenue of CNY2,108,740,300, total profit of CNY27.67 million, and transportation volume of 71.32 million tons, a year-on-year increase of 3.9%. Among them, Yiyang Railway Management Office and Dalailong Railway Company focused on the supply development of Huangda Railway, and successively developed the supply sources of Longkou Port domestic coal, Laizhou power plant coal and Hebei Jingye iron ore, so as to create an intensive and efficient pendulum transportation mode of "coal in and ore out". The transportation volume of Huangda Railway increased month by month from scratch, and the annual transportation volume reached 7.3 million tons. Yiyang Railway Management Office insisted on controlling the leading power of freight rate and holding the market even with interest as sacrifice. The Office flexibly and prudently adjusted the freight rate of oil products to compete for the source of goods. The Haihua special line restarted the oil transportation business after an interval of 8 years, with the oil transportation volume reaching 6.51 million tons, increasing by more than 10% for three consecutive years. Lanshan Management Office coordinated with Rizhao Port to successfully handle the port transfer business of iron ore, and completed 600,000 tons of cargo source transfer. The relocation of Lanshan Dispatching Station has been completed, and all railways under its management have realized centralized and unified dispatching and command.

2. New achievements have been made in the development of equipment manufacturing sector. Among them, the revenue of Railway Construction Equipment Company in 2021 was CNY702.5 million and the total profit was CNY125.51. It also won the bid for 2.06 million sleepers of Guinea Masi railway, breaking the highest record of overseas sleeper orders in the domestic industry. The Transportation Equipment Company signed sales contracts of CNY200 million in total throughout the year, and independently developed the UHPC high-strength concrete, which was then applied in six projects, receiving orders of CNY60 million. The joint venture construction of Guangxi Gangrong sleeper project realized the commencement, completion and production in the same year, which extends the market network to the South China market, and takes the first step from single product sales to joint output of technology and products.

(IV) Situation of Qilu Expressway

During the reporting period, the revenue of Qilu expressway was CNY1995.309 million, an increase of 18.10% over CNY1689.536 million last year, of which the revenue recorded from expressway business was CNY1772.904 million, a year-on-year increase of 15.05%; the profit was CNY853.434 million, a year-on-year increase of 37.48%.

The toll revenue collected from the Jinan-Heze section of Qilu Expressway was about CNY1,247,118,000, a year-on-year increase of 18.78% compared with CNY1,049,899,000 last year; the toll revenue collected from Deshang and Xinnan Expressway was CNY525.786 million, a year-on-year increase of 7.05% compared with CNY49.1142 million last year. The main reason for the change is: During the prevention and control of the COVID-19 in 2020, the toll was exempted from 0:00 on February 17, 2020 to 0:00 on May 6, 2020 in accordance with the notification requirements of the National Transport Department, which resulted in a decline in toll revenue. But with the effective control of the epidemic, the toll revenue returned to normal in 2021, becoming higher than that in 2020.

Note: The above data comes from the annual performance announcement of Qilu Expressway in 2021 dated March 30, 2022. The caliber is international accounting standards, and there is no significant difference between domestic and foreign standards.

II. Industry of the Company during the reporting period

The Company was founded in 1999 with a 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.

Analysis of expressway industry

(I) China's highway industry has a wide range of downstream demand and strong ability to resist economic cycle fluctuations. The highway industry, as a whole, is showing a steady development trend.

As an important part of China's transportation infrastructure, highway plays an irreplaceable role in meeting the short-distance transportation need of materials and passengers. Although the massive operation of high-speed rail has brought a certain impact on road passenger transport, highways still occupy a dominant position in terms of passenger and freight transport volume in China's comprehensive transportation system, and the rapid development of modern logistics and express delivery industry will also support the subsequent highway freight volume. According to the Statistical Bulletin of National Economic and Social Development of China in 2020 issued by the National Bureau of Statistics, road transport bears 61.33% of passenger traffic and 73.89% of cargo traffic in China. At the end of 2021, the number of civilian vehicles in China was 301.51 million (including 7.32 million tricycles and low-speed trucks), an increase of 20.64 million over the end of the previous year, including 262.46 million private vehicles, an increase of 18.52 million. The number of civilian cars was 167.39 million, an increase of 10.99 million, including 157.32 million private cars, an increase of 10.59 million. The total business volume of the postal industry in the whole year was CNY1369.8 billion, an increase of 25.1% over the previous year. The postal industry completed 1.09 billion postal letters, 20 million parcels and 108.3 billion express delivery. With the development of national economy, the growth trend of traffic flow will continue.

(II) The reconstruction and expansion of core highway property will usher in secondary development opportunities for expressway enterprises.

According to the National Statistical Bulletin of Toll Roads in 2020, the mileage of existing expressways in China at the end of 2020 was 152,900 kilometers, a net increase of 10,079 kilometers compared with 2019. The most core is the National Expressway Network plan, namely "7918" network, which consists of 7 Beijing radiation lines, 9 vertical lines and 18 horizontal lines. The total scale is about 85,000 kilometers, including 68,000 kilometers of main lines and 17,000 kilometers of regional ring lines, connecting lines and other lines. By the end of 2000, the mileage of expressways in China was 16,000 kilometers, ranking third in the world. After 20+ years of operation and with the development of the national economy, the traffic volume of the expressway built in the end of last century and the beginning of this century has saturated or even over-saturated and the end of toll collection has approached.

The 14th Five-year Plan and the Outline of Long-term Objectives in 2035 for National Economic and Social Development of the People's Republic of China issued in March 2021 states the requirements to quickly build the transportation power, expand and reconstruct the congested sections of the main lines of national expressways such as Beijing-Shanghai, Beijing-Hong Kong-Macao, Changsha-Shenzhen, Shanghai-Kunming and Lianyungang-Khorgos Expressway, accelerate the construction of parallel lines and connecting lines of the main lines of national expressways, and promote the construction of expressways in Xiong'an New Area such as Beijing-Xiong'an Expressway. The construction of charging facilities is also included in the plan. The mileage of newly reconstructed expressway has reached 25,000 kilometers. For the next few years, the expressway reconstruction and expansion will become the mainstream.

Reconstructed and expanded road sections occupy an advantageous location. Through years of accumulation, the industrial layout surrounding their construction has been formed and stabilized. There is no need to go through a period of traffic cultivation for new Highway Property from scratch, and high-load operation can be realized once they are opened for traffic, so the return on investment on reconstruction and expansion projects can be maximized, and expressway enterprises will usher in secondary development opportunities.

III. Business of the Company during the reporting period

The Company was founded in 1999 with a 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 Company's benefit 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 2,818 kilometers, including 1,557 kilometers under the Company's jurisdiction, and 1,261 kilometers entrusted by Shandong Hi-Speed Group.

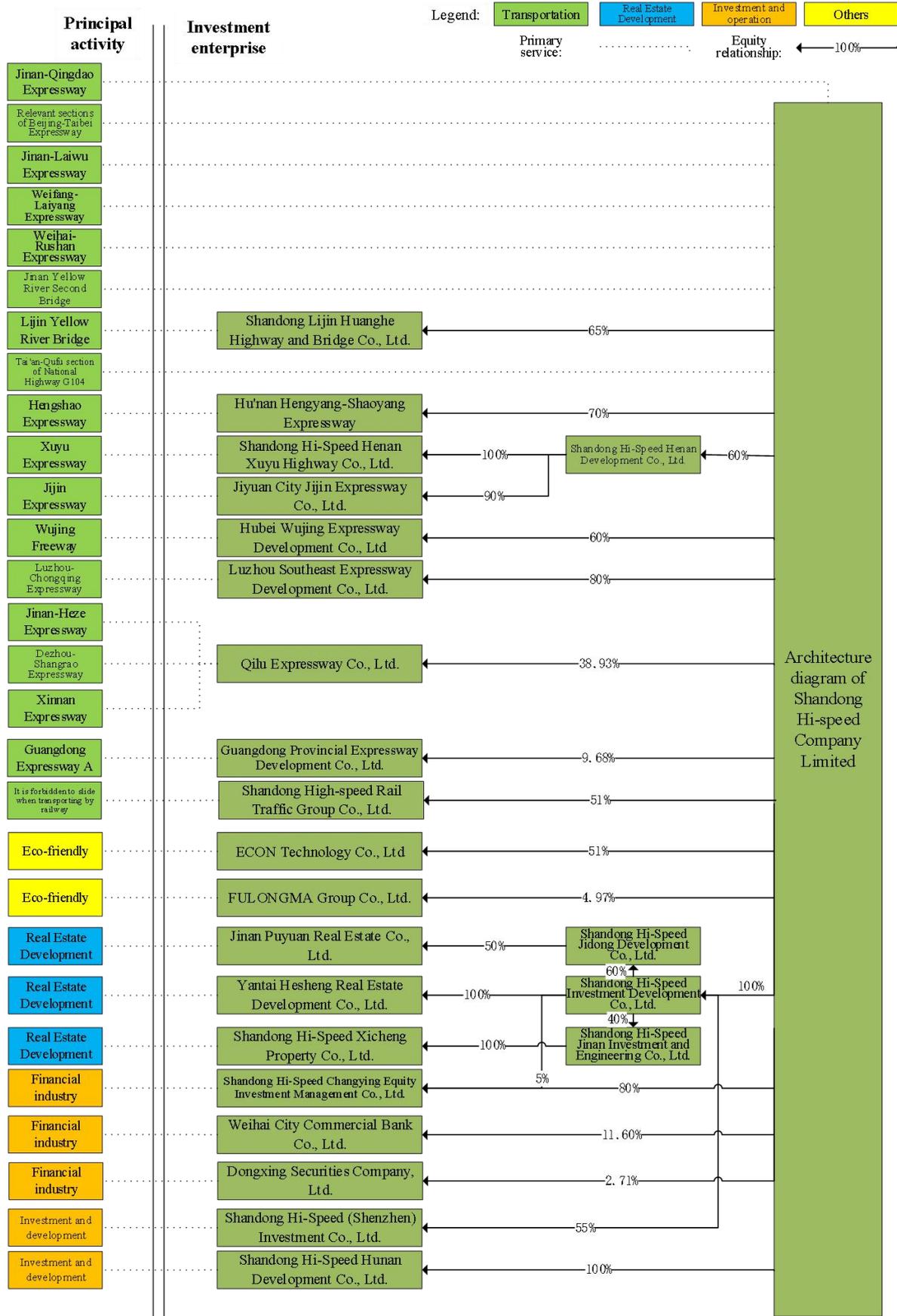
2. Module of investment operation

China's expressway toll collection period is generally no longer than 30 years, and the stable cash income within the period will become unsustainable as such a period expires; to realize its long-term sustainable development, the Company actively seeks for investment opportunities matching with the main business of expressway.

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

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

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



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

S/N	Name of road section	Road Sections	Equity of the Company	Approved Expiry Date of Toll Collection	Toll Mileage (Kilometer)	Number of lanes	State
1	Jinan-Qingdao Expressway	Jinan-Qingdao Expressway (Section in Shandong of Qingdao-Yinchuan Expressway)	100%	December 2044	318.5	8	In operation
2	Relevant sections of Beijing-Taibei Expressway	Dezhou-Qihe Section of Beijing-Fuzhou Expressway	100%	July 15, 2046	93.72	8	In operation
3		Jinan Yellow River Second Bridge	100%	April 16, 2032	5.75	6	In operation
4		Qihe-Jinan Section of Beijing-Fuzhou Expressway	100%	October 31, 2024	21.971	6	In operation
5		Jinan-Qingdao Connection Line of Beijing-Fuzhou Expressway	100%	October 31, 2024	16.376	4	In operation
6		Jinan-Tai'an Section of Beijing-Fuzhou Expressway	100%	October 31, 2024	59.546	6	Reconstruction and expansion
7		Jinan-Laiwu Expressway	Jinan-Laiwu Expressway (side road) of Beijing-Shanghai Expressway	100%	October 21, 2034	76.048	4
8	Weifang-Laiyang Expressway	Weifang-Laiyang Expressway	100%	July 31, 2024	140.637	4	In operation
9	Weihai-Rushan Expressway	Weihai-Rushan Expressway	100%	2032.12.19	70.55	4	In operation
10	Tai'an-Qufu Road	Tai'an-Qufu First-class Highway of National Highway G104	100%	2025.11.15	64.166	4	In operation
11	Lijin Yellow River Bridge	Lijin Yellow River Highway Bridge	65%	September 25, 2029	1.35	4	In operation
12	Xuyu Expressway	Xuchang-Yuzhou Expressway in Henan	60%	August 28, 2036	39.07	4	In operation
13	Jijin Expressway	Jiyuan-Jincheng (provincial boundary) Section of Erenhot-Guangzhou Expressway	54%	September 9, 2038	20.56	4	In operation
14	Hengshao Expressway	Heyang-Shaoyang Expressway in Hunan	70%	December 29, 2040	132.059	4	In operation
15	Wujing Freeway	Wuhan-Jingmen Expressway in Hubei	60%	May 2040	183.21	4	In operation
16	Luzhou-Chongqing Expressway	Sichuan Chengdu-Chongqing Ring Road Hegiang (Chongqi-Sichuan border) to Naxi section expressway	80%	June 27, 2043	73.15	4	In operation
17	Jinan-Heze Expressway	Yinjialin-Wangguantun section of Jinan-Guangzhou Expressway	38.93%	2034.09.22	153.601	4	In operation
18	Dezhou-Shangrao Expressway	Liaocheng-Fanxian County (Shandong-Henan boundary) section of Dezhou-Shangrao Expressway	38.93%	2040.11.15	68.942	4	In operation
19	Xinnan Expressway	Lintun-Provincial boundary section of Xinxian-Nanle (Shandong-Henan boundary) Expressway	38.93%	2043.09.27	18.267	4	In operation
Total					1557.473		

IV. Analysis of core competitiveness during the reporting period

√Applicable □Not applicable

(I) Great geographical advantages

Located in the east of China and the lower reaches of the Yellow River, Shandong, with its developed economy and rich cultural resources, is one of the main coastal provinces and cities in China. In 2021, the economy of Shandong showed a good trend of steady improvement and improvement in quality. The annual GDP increased by 8.3%, exceeding the national average level and achieving the expected goal satisfactorily. In 2021, the economic strength of Shandong leapt to a new level, the development momentum achieved a new leap, the quality of development improved, the reform and opening up released new vitality, the protection of people's livelihood was strengthened, the province's high-quality economic development became better, the sustainable development became more tenacious, and the path of serving and integrating into the new development pattern became wider.

(II) Superior road and bridge assets

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

(III) Excellent management team

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

(IV) High-class investment and financing platform

The Company has built a diversified investment and financing platform which integrates functions of securities firms, banks and fund management companies. As the only road and bridge operating A-share listed company within the region, the Company has "AAA" credit rating and good financing ability, as well as the great management on investor relations. The Company has long adhered to the high-ratio cash dividend policy, and has a stable investor base and good market image in both domestic and foreign capital markets. The Company's smooth financing channels make it possible to take advantages of the capital market to continuously improve the financing structure, reduce the financing cost and expand new development space in the future.

(V) The merger and restructuring has produced synergy

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

V. Main business information during the reporting period

See "discussion and analysis of business conditions" in this report for details

(I) Main business analysis**1. Analysis of changes in relevant items in the profit statement and cash flow statement**

Unit: Yuan; Currency: CNY

Items	Current period	Prior period	Variable proportion (%)
Operating revenue	16,203,578,427.97	13,003,370,230.12	24.61
Operating costs	9,183,816,192.12	8,207,777,454.67	11.89
Selling expenses	18,821,039.91	10,629,082.64	77.07
Administrative expenses	735,805,392.28	611,402,339.19	20.35

Financial expenses	1,946,055,728.16	1,705,413,456.97	14.11
Research and development (R&D) expenses	135,698,651.37	67,632,819.17	100.64
Net cash flows from operating activities	9,794,487,069.68	5,447,227,594.53	79.81
Net cash flows from investment activities	-6,801,834,980.77	-5,040,928,831.65	34.93
Net cash flow from financing activities	-830,650,613.15	-1,311,353,850.13	-36.66

Reasons for changes in operating revenue: mainly due to the lower toll revenue in the previous period impacted by the expressway toll free policy, and the gains from the acquisition of Luyu Company and ECON TECH in the current period.

Reasons for changes in operating costs: mainly due to the acquisition of Luyu Company and ECON TECH.

Reasons for changes in selling expenses: mainly due to the acquisition of ECON TECH.

Reasons for changes in administrative expenses: mainly due to the acquisition of Luyu Company and ECON TECH.

Reasons for changes in financial expenses: mainly due to the acquisition of Luyu Company and ECON TECH.

Reasons for changes in R&D expenses: mainly due to increased R&D investment and higher R&D expenses for the acquisition of ECON TECH.

Reasons for changes in net cash flow from operating activities: mainly due to the lower toll revenue in the previous period impacted by the expressway toll free policy, and the gains from the acquisition of Luyu Company and ECON TECH in the current period.

Reasons for changes in net cash flow from investment activities: mainly due to the payment of equity transfer and capital increase to Luyu Company and ECON TECH.

Reasons for changes in net cash flow from financing activities: mainly due to the increase in cash received from issuing perpetual bonds to absorb investment.

Detailed description of major changes in the business type, profit composition or source of profit in this period

Applicable Not applicable

2. Income and cost analysis

Applicable Not applicable

During the reporting period, the Company realized an operating revenue of CNY16,203,578,400, a year-on-year increase of 24.61%, which is mainly due to the lower toll revenue in the previous period impacted by the expressway toll free policy, and the gains from the acquisition of Luyu Company and ECON TECH in the current period.

(1) Main business classified by industry, product, region and sales mode

Unit: Yuan; Currency: CNY

Principal operations by industry						
By Sector	Operating revenue	Operating costs	Gross Margin (%)	Year-on-year increase or decrease in operating revenue (%)	Year-on-year increase or decrease in operating costs (%)	Year-on-year increase or decrease in gross profit margin (%)
Expressw	9,775,843,707.74	4,234,759,689.90	56.68	30.4	11.78	Increased

ay toll						by 7.22 pct
Revenue from railway transportation	2,108,740,348.26	1,623,299,512.15	23.02	-15.47	-17.21	Increased by 1.62 pct
Revenue from sale of goods	1,944,406,944.07	1,619,650,931.60	16.70	8.53	9.84	Decreased by 0.99 pct
Revenue from project construction	1,226,944,610.13	900,501,810.22	26.61	288.66	231.55	Increased by 12.64 pct
Revenue from expressway trusteeship	593,569,386.74	557,772,539.51	6.03	-2.00	-0.49	Decreased by 1.43 pct
Others	112,691,232.11	87,016,104.58	22.78	-1.03	-21.20	Increased by 19.76 pct
Principal operations by product						
By product	Operating revenue	Operating costs	Gross Margin (%)	Year-on-year increase or decrease in operating	Year-on-year increase or decrease	Year-on-year increase or decrease in gross profit
Principal operations by region						
By region	Operating revenue	Operating costs	Gross Margin (%)	Year-on-year increase or decrease in operating	Year-on-year increase or decrease	Year-on-year increase or decrease in gross profit
Shandong	7,889,533,433.47	3,421,142,292.53	56.64	23.84	8.65	Increased by 6.06 pct
Henan	331,043,628.62	139,724,229.66	57.79	27.95	2.20	Increased by 10.63 pct
Hunan	243,443,692.31	161,979,584.42	33.46	38.62	0.32	Increased by 25.40 pct
Hubei	989,059,024.52	336,523,283.68	65.98	43.04	-1.48	Increased by 15.37 pct
Sichuan	322,763,928.82	175,390,299.61	45.66			

Total	9,775,843,707.74	4,234,759,689.90	56.68	30.4	11.78	Increased by 7.22 pct
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Explanations of main business classified by industry, product, region and sales mode

1. The expressway toll revenue by industry and region increased compared with previous year, which is mainly due to the lower toll revenue in the previous period impacted by the expressway toll free policy.

2. The revenue and cost of engineering construction by industry increased significantly compared with previous year, which is mainly due to the acquisition of ECON TECH.

3. The expressway toll revenue by regions added Sichuan this year, which is mainly due to the acquisition of Luyu Company.

(2) Analysis statement of production and sales

Applicable Not applicable

(3) Performance of major purchase contracts and major sales contracts

Applicable Not applicable

(4) Cost analysis table

By ten thousand yuan

Operations by industry							
By Sector	Cost components	Amount in the current period	Percentage (%) of total cost of the current period	Amount of the corresponding period in the previous year	Percentage (%) of total cost for the corresponding period in the previous year	Year-on-year change proportion of amount (%)	Remark
Toll road	Payroll	80,831.66	8.80%	73,779.66	8.99%	9.56%	
Toll road	Depreciation and amortization	274,821.49	29.92%	236,366.60	28.80%	16.27%	Mainly due to the increase in amortization of Deqi section and the new acquisition of Luzhou-Chongqing Expressway
Toll road	Specific maintenance cost	61,197.41	6.66%	62,800.93	7.65%	-2.55%	
Toll road	Other Cost	6,625.41	0.72%	6,032.20	0.73%	9.83	
	Subtotal	423,475.97	46.11%	378,979.39	46.17%	11.74%	

Explanation of other details of cost analysis

None

(5) Changes in consolidation scope caused by changes in equity of major subsidiaries during the reporting period

Applicable Not applicable

During the reporting period, Luzhou Southeast Expressway Development Co., Ltd. and ECON TECH Co., Ltd. were not merged under the same control, and Qilu Expressway Co., Ltd. was merged under the

same control. As a shareholder of Shandong Hi-Speed Changing Equity Investment Management Co., Ltd. withdrew, the Company formed control over Changing Equity Investment Management Company and incorporated it into the scope of merger. The Company's subsidiary Shandong Hi-Speed Industrial Development Co., Ltd. is divided into Shandong Hi-Speed Industrial Development Co., Ltd. and Shandong Hi-Speed Renhe Property Development Co., Ltd. The Company uses the equity of Renhe Property Company to contribute to Shandong Hi-Speed Property Service Development Group Co., Ltd. After the equity transfer is completed, Renhe Property will no longer be included in the scope of merger.

(6) Major changes or adjustments in the Company's business, products or services during the reporting period

Applicable Not applicable

(7) Information of main sales customers and suppliers

A. Main sales customers of the Company

The sales amount of the top five customers was CNY1,528,813,600, accounting for 9.44% of the annual sales amount; and that of their affiliates was CNY640,720,600, accounting for 3.95% of the annual sales amount.

During the reporting period, the proportion of sales to a single customer exceeded 50% of the total. Among the top five customers, there were new customers or the situation of heavily dependent on a few customers.

Applicable Not applicable

B. Main suppliers of the Company

The purchase amount of the top five suppliers was CNY 5,248,222,700, accounting for 42.27% of the annual purchase amount; and that of their affiliates was CNY350,6724,000, accounting for 28.25% of the annual purchase amount.

During the reporting period, the proportion of purchases from a single supplier exceeded 50% of the total. Among the top five suppliers, there were new suppliers or the situation of heavily dependent on a few suppliers.

Applicable Not applicable

Other explanations

None

3. Cost

Applicable Not applicable

Unit: Yuan

Items	Current period	Prior period	Variable proportion (%)	Remark
Selling expenses	18,821,039.91	10,629,082.64	77.07%	Due to the relatively high proportion of sales expenses for the acquisition of ECON TECH
Research and development (R&D) expenses	135,698,651.37	67,632,819.17	100.64%	Due to the increased R&D investment and the high R&D expenses of ECON TECH
Financial expenses	1,946,055,728.16	1,705,413,456.97	14.11%	

4. R&D expenditures

(1) Statement of R&D expenditures

Applicable Not applicable

Unit: Yuan

Expenditure R&D investment in the current period	135,698,651.37
Capitalization R&D investment in the current period	0
Sum of R&D investment	135,698,651.37
Ratio of total R&D expenditures to operating income (%)	0.84
Ratio of capitalized R&D expenditures (%)	0

(2) Statement of R&D staff

√Applicable □Not applicable

The number of R&D staff of the Company	522
Proportion of R&D staff to the total staff of the Company (%)	5.56
Academic structure of R&D staff	
Education category	Staff number
Doctoral degree	0
Master degree	124
Bachelor	280
Junior college education	118
Senior high school and under	0
Age structure of R&D staff	
Age range	Staff number
<30 (excluding 30)	113
30-40 (including 30 and excluding 40)	220
40-50 (including 40 and excluding 50)	150
50-60 (including 50 and excluding 60)	39
>60	0

(3) Explanation

√Applicable □Not applicable

Basic information of main R&D projects carried out by the Company this year (2021):

(1) Research on Key Technologies of Intelligent Toll Collection System Based on Vehicle Holography and OBU Information Fusion project: The research purpose is to study the key technologies of intelligent toll collection system based on vehicle holography and OBU information fusion, mainly including the optimization scheme of etc gantry toll collection system based on principal component analysis, vehicle holography perception theory and technology in complex scenes of expressway, vehicle information retrieval method based on specific feature sparse coding model, vehicle holography and OBU information fusion model based on deep learning theory, and the software and hardware system test of intelligent toll collection system. The project is in the research and development stage, which puts forward a set of new solutions and ways of intelligent toll collection system based on deep learning theory, information fusion technology, pattern recognition and other new AI technologies.

(2) Research on Intelligent Management and Control Technology of Highway Tunnel Operation Based on Digital Twin project: The research purpose is to introduce emerging technologies such as digital twin, machine learning and three-dimensional visualization with data as the key element and core drive, and to develop a new generation of intelligent management and control platform for highway tunnel operation. The project is in the research and development stage. Its goal is to realize the centralized management, linkage control, data sharing and business collaboration with respect to highway tunnel operation. Its future impact on the Company is to form a number of achievements including application

system software, standards and specifications, intellectual property rights and demonstration projects, so as to create conditions for technology promotion, application and industrialization.

(3) Research and Application Demonstration on Key Technologies of Fine Intelligent Management and Control of Eight-lane Expressway project: The purpose is to develop key technologies such as research and judgment of eight-lane traffic flow and active traffic control based on the principal of "intelligent expansion, fine management, cost reduction and efficiency enhancement" and data link. The project is in the research and development stage. After the completion of the project, the real-time monitoring, accurate prediction and active control of eight-lane expressway traffic is expected to be realized, so as to create a safe, smooth and comfortable eight-lane expressway, help the digital development of Jinan-Qingdao Expressway, and support the implementation of fine management and quality service of Jinan-Qingdao Expressway.

(4) Green Technology Demonstration Works for Reconstruction and Expansion of Jinan-Qingdao Expressway project: The purpose is to intuitively and accurately show the advanced scientific level and construction technology of the transportation industry, improve the project quality, expand the traffic capacity and raise the service level of the reconstructed and expanded expressway through the implementation of the scientific demonstration project; through the promotion and application of scientific achievements, to effectively improve the support level and contribution rate of scientific work to transportation development, and boost the historical process of transportation industry from traditional to modern.

(5) Research and Development of Sludge Discharge Device for Continuous Sewage Treatment project: The purpose is to develop sludge discharge device for continuous sewage treatment and realize the continuous sludge treatment of municipal sewage treatment plant. The project is in the research and development stage. After successful research and development, it can improve the sludge treatment efficiency of municipal sewage treatment plant and reduce the treatment cost.

(6) Research on New Paradigm of Freight Railway Intellectualization project: The purpose is to carry out intelligent system integration on the existing freight railway and realize the overall effect of the innovative development of railway transportation. The project is in the research and development stage, which deeply integrates 5G, big data analysis, AI, Internet of Things, cloud technology and other cutting-edge information technologies. It relies on automatic information collection, real-time transmission, intelligent analysis, intelligent control etc. to extend itself to the research and development of freight railway intellectualization, the construction of supporting facilities and the practical application of R & D achievements, so as to create a "new paradigm" of freight railway intellectualization that can be copied and popularized.

(7) New Structure of Fabricated Ballastless Track and Its Application Verification project: The purpose is to develop a new structure of fabricated ballastless track with vibration and noise reduction functions, break through key technologies and processes, and develop core products and equipment of track structure. The project is in the research and development stage. After completion, a whole industrial chain of "R&D - Design - Manufacturing - Construction - O&M" will be built, which helps to open up a new industry of new track structure.

(8) Research on Corrosion Mechanism and Anti-corrosion Measures of Track System under Combined Action of Stray Current and Environment project: The purpose is to clarify the basic corrosion law and damage mechanism of track system under the combined action of stray current, load and marine environment according to the distribution characteristics of stray current in track structure system, train impact load and corrosion characteristics of marine environment. The project is in the research and development stage, which puts forward new methods and measures for anti-corrosion of coastal railway track system, so as to finally improve the durability of track structure and traffic operation safety, and provide reference for the anti-corrosion research of railway in domestic coastal areas.

(4) Reasons for major changes in the composition of R&D staff and their impact on the future development of the Company

Applicable Not applicable

5. Cash flows

Applicable Not applicable

Unit: Yuan

Item	Number at the end of	Number at the end of	Change	Remark
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	the current period	the previous period	ratio (%)	
Cash received from the sale of goods and provision of services	18,463,880,254.92	13,300,776,325.92	38.82	Mainly due to the lower toll revenue in the previous period impacted by the expressway toll free policy, and the gains from the acquisition of Luyu Company and ECON TECH in the current period.
Refunds of taxes and levies	86,394,777.83	58,346.52	147971.86	Mainly due to the receipt of VAT rebate.
Other cash received relating to operating activities	1,246,733,299.14	2,590,993,632.08	-51.88	Mainly due to the decrease of current accounts and deposits received.
Other cash paid for operating activities	1,371,570,136.79	495,925,207.58	176.57%	Mainly due to the increase of current accounts and deposits paid.
Cash receipts from investment withdrawal	5,374,012,470.47	3,511,223,962.89	53.05	Mainly due to the recovery of investment.
Cash received for investment incomes	643,843,395.43	1,894,451,115.99	-66.01	Mainly due to the undistributed Evergrande dividends received from Evergrande projects in the previous period.
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,118,055.70	6,394,982.27	-82.52	Mainly due to the decrease in the disposal of fixed assets.
Cash paid for investments	2,887,995,438.63	4,582,569,587.65	-36.98	Mainly due to the decrease of foreign investment.
Net cash payments to acquire subsidiary and other business units	2,094,951,520.10	26,474,545.02	7813.08	Mainly due to the acquisition and capital increase of Luzhou Company and ECON TECH in this period.
Other cash paid relating to investing activities	53,420,166.49	13,601,593.13	292.75	Mainly due to the inclusion of ECON TECH into the scope of merger.
Other cash received relating to financing activities	40,010,546.83	600,000,000.00	-93.33	Mainly due to the receipt of investment funds for expansion and reconstruction of Dalailong in the previous period.
Other cash paid relating to financing	4,125,868,753.94	7,846,163,815.56	-47.42	Mainly due to payment of equity transfer of rail transit and liquidation

activities				contribution of Trust No.1 in the previous period.
Effect of exchange rate fluctuations on cash and cash equivalents	-354,928.02	2,516,442.38	-114.10	Mainly due to the merger of Qilu Expressway under the same control and the establishment of a Hong Kong registered company.

(II) Description of material changes in profits resulting from non-main business

□ Applicable √ Not applicable

(III) Analysis of assets and liabilities

√Applicable □Not applicable

1. Assets and liabilities

Unit: Yuan

Item Description	Number at the end of the current period	Proportion of amount at the end of current period to total assets (%)	Number at the end of the previous period	Proportion of amount at the end of previous period to total assets (%)	Year-on-year change (%)	Remark
Monetary funds	4,733,510,418.21	3.76%	2,335,519,595.01	2.34%	102.67%	Mainly due to the acquisition of Luyu Company and ECON TECH and business accumulation
Trading financial assets			502,683,295.89	0.50%	-100.00%	Withdrawal of original investment
Notes receivable	313,295,763.10	0.25%	78,553,471.98	0.08%	298.83%	Mainly due to the collection of performance bond of Jitai project
Accounts receivable	1,494,867,863.73	1.19%	587,672,073.44	0.59%	154.37%	Mainly due to the acquisition of ECON TECH
Advance payments	212,881,095.50	0.17	147,336,622.38	0.15%	44.49%	Mainly due to the acquisition of ECON TECH
Contract assets	708,849,824.78	0.56%	164,141,161.07	0.16%	331.85%	Mainly due to the acquisition of ECON TECH
Non-current assets due	40,104,821.79	0.03%	113,246,088.67	0.11%	-64.59%	Withdrawal of original

within one year						investment upon maturity
Long-term receivables	61,573,400.00	0.05%				Mainly due to the acquisition of Luyu Company
Other non-current financial assets	800,983,198.11	0.64%	599,602,448.11	0.60%	33.59%	Mainly due to new capital increase
Construction in progress	15,088,605,406.82	11.98%	8,632,754,009.79	8.66%	74.78%	Mainly due to the acquisition of ECON TECH
Intangible assets	63,267,330,496.31	50.25%	48,126,238,106.03	48.28%	31.46%	Mainly due to the capital transfer of Dezhou-Qihe Section of Beijing-Taibe i Expressway and the acquisition of Luyu Company
Goodwill	627,509,785.65	0.50%				Mainly due to the acquisition of ECON TECH
Long-term deferred expenses	40,792,018.68	0.03%	5,708,133.98	0.01%	614.63%	Mainly due to the acquisition of Luyu Company and ECON TECH
Other non-current assets	1,094,394,613.09	0.87%	1,759,925,289.04	1.77%	-37.82%	Mainly due to the decrease of advance payment for construction
Notes payable	522,493,122.90	0.41%	276,072,829.09	0.28%	89.26%	Mainly due to the increase of bill settlement business and the acquisition of ECON TECH
Accounts Payable	9,997,523,588.75	7.94%	4,752,653,371.86	4.77%	110.36%	Mainly due to the acquisition of ECON TECH
Employee compensation payable	203,021,816.82	0.16%	140,365,567.39	0.14%	44.64%	Mainly due to the acquisition of ECON TECH
Dividends	91,811,851.16	0.07%	60,885,896.25	0.06%	50.79%	Mainly due to

payable						the undistributed dividends accrued from Company's Railway Construction Equipment
Non-current liabilities due within one year	2,656,588,218.95	2.11%	4,032,426,775.73	4.05%	-34.12%	Mainly due to the decrease of long-term liabilities due within one year
Long-term loans	50,010,994,376.80	39.72%	37,550,693,637.85	37.67%	33.18%	Mainly due to the acquisition of Luyu Company and ECON TECH
Deferred income	2,352,861,294.09	1.87%	1,593,513,850.06	1.60%	47.65%	Mainly due to the increase in government subsidies received and the acquisition of Luyu Company and ECON TECH
Deferred income tax liabilities	1,708,580,667.82	1.36%	1,103,990,005.95	1.11%	54.76%	Mainly due to the acquisition of Luyu Company and ECON TECH
Other non-current liabilities	298,102.41	0.0002%				Mainly due to the acquisition of ECON TECH
Other equity instruments	8,200,000,000.00	6.51%	3,200,000,000.00	3.21%	156.25%	Mainly due to issuance of perpetual bonds
Capital reserves	1,208,658,668.08	0.96%	2,526,700,650.09	2.53%	-52.16%	Mainly due to the merger of Qilu Expressway under the same control
Other comprehensive income	-32,750,233.99	-0.03%	-47,382,900.51	-0.05%	-30.88%	Mainly due to change in other comprehensive income of affiliated enterprises
Minority interests	9,606,083,717.42	7.63%	6,614,207,887.46	6.64%	45.23%	Mainly due to the acquisition

						of Luyu Company and ECON TECH
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Other explanations

None

2. Overseas assets

Applicable Not applicable

(1) Asset scale

Including: overseas assets 10,348,201.28 (unit: yuan, currency: CNY), accounting for 0.01% of the total assets.

(2) Relevant description of high proportion of overseas assets

Applicable Not applicable

3. Restrictions on major assets as of the end of the reporting period

Applicable Not applicable

Unit: Yuan

Item	Ending book value	Restricted reason
Monetary funds	157,881,957.39	Deposit
Monetary funds	150,000,000.00	Litigation freeze
Receivable financing	51,970,000.00	Pledge
Intangible assets	39,062,195,710.41	Pledge borrowing
Intangible assets	246,701,259.74	Mortgage loan
Fixed assets	31,298,108.48	Mortgage loan
Construction in progress	351,634,390.50	Pledge borrowing
Other non-current assets	10,000,000.00	Deposit

4. Other notes

Applicable Not applicable

(IV) Industry information analysis

Applicable Not applicable

(V) Investment Analysis

Overall analysis of external equity investment

Applicable Not applicable

In 2021, the Company practice their responsibilities 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

Sintered hollow bricks	Principal activity	Shareholding proportion	Partner	Note

Luzhou Southeast Expressway Development Co., Ltd.	Investment in, construction, operation and management of Luzhou Section of Yibin-Chuanyu Boundary Expressway and its auxiliary facilities; design, production and publication of guideboards, lamp boxes, neon lamps and vehicle graphics.	80%	Shandong Hi-Speed Sichuan Industrial Development Co., Ltd. holds 20% of shares	On January 13, 2021, Luyu Company completed the registration of change with the industrial and commercial administration. The Company has controlled Luyu Company since January 2021. According to the relevant provisions of the Accounting Standards for Business Enterprises, the Company has incorporated it into the scope of merger. For details, please refer to the L2021-001 Announcement on the Progress of Acquisition of 80% Equity Interests in Luzhou Southeast Expressway Development Co., Ltd. and Affiliate Transactions.
Qilu Expressway Co., Ltd.	Construction, maintenance, management and operation of roads, bridges, tunnels and supporting facilities; building decoration; road construction engineering technical consultation and service; processing and maintenance of construction machinery; lease of own equipment; road rescue and obstacle clearance services; construction and operation of port, highway and waterway transportation; maintenance of highway information network.	38.925 %	COSCO Shipping (Hong Kong) Co., Ltd. holds 30.00%; Shenhua Guoneng Shandong Construction Group Co., Ltd. holds 6.08%; CITIC-Prudential Life Insurance Co., Ltd. holds 5.19%.	<p>The Company held the 25th (interim) meeting of the sixth board of directors and the first general meeting (interim) on October 13, 2021 and October 29, 2021 respectively, and deliberated and approved the Proposal on Acquiring 38.93% Equity of Qilu Expressway Co., Ltd. For details, please refer to the Announcement on Acquisition of 38.93% Equity of Qilu Expressway Co., Ltd. and Affiliate Transactions (Announcement No.: L2021-053) disclosed by the Company on October 14, 2021</p> <p>On November 10, 2021, the Company signed the Share Transfer Agreement with Shandong Hi-Speed Group Co., Ltd. The conditions for the agreement to take effect have been met, the Company therefore completed the transfer payment in accordance with the Share Transfer Agreement and then formed control over Qilu Expressway Co., Ltd. According to the relevant provisions of the Accounting Standards for Business Enterprises, the Company has incorporated it into the scope of merger. On December 23, 2021, the Company received the Transfer Registration Confirmation about Qilu Expressway's (1576.HK) 778,500,000 shares from China Securities Depository and Clearing Co., Ltd., completing the transfer registration of the acquired shares.</p>

ECON Technology Co., Ltd	<p>Promotion services for environmental protection technology; technical services, technical development and engineering construction of environmental protection projects; water pollution control; solid waste pollution control; air pollution control; soil pollution control and remediation services; construction of foundation works, earthwork works and municipal public works; design and construction of water treatment engineering, water source and water supply engineering, water conservancy and hydropower engineering, electromechanical engineering, construction engineering, electronic and intelligent engineering, river and lake treatment and flood control engineering, municipal water supply and drainage, sewage treatment and urban flood control public utilities; design, construction, technical promotion services and technical consultation of photovoltaic power generation, solar energy and wind power generation projects; leasing of construction machinery and equipment; construction labor subcontracting; environmental protection engineering and project management consulting; technical consultation related to environmental protection and new energy projects; Investment in the water industry with own funds; R&D and sales of electronic products and industrial automation products; computer software development; sales of industrial electronic products, water supply and drainage pipes and fittings, plastic products, building materials, mechanical products and garden plants; information system integration services.</p>	51%	<p>Konka Group Co., Ltd. holds 24.9829%; Yantai Baijiangyuan Enterprise Management Center (limited partnership) holds 12.7663%; Yantai Fengqingtai Investment Center (limited partnership) holds 5.6737%; Yantai Qingrunyuan Enterprise Management Center (limited partnership) holds 5.2154%; Yantai Qingjiangchuan Enterprise Management Center (limited partnership) holds 0.3618%.</p>	<p>On November 4, 2021, the 27th meeting (interim) of the sixth board of directors deliberated and approved the Proposal on Investing 51% Equity of ECON Technology Co., Ltd., and agreed that the Company would acquire 51% equity of ECON TECH through bidding for 11.70% equity of ECON TECH listed in Shanghai United Asset and Equity Exchange and the transfer of other old shares (about 11.22%), and further increase capital after the transfer of old shares, so as to realize its absolute control. Based on the appraisal report and referring to the listing price of 11.70% equity of ECON TECH listed in Shanghai United Asset and Equity Exchange, the Company determined the total share value of ECON TECH at CNY26174.4 billion, and planned to invest CNY2,099,894,400, including CNY599,894,400 for the transfer of old shares and a capital increase of CNY150 million. For details, please refer to the Announcement on Investing 51% Equity of ECON Technology Co., Ltd. (Announcement No.: L2021-057) disclosed by the Company on November 6, 2021.</p> <p>On November 25, 2021, the industrial and commercial change registration of the transfer of old shares was completed. On November 26, 2021, the Company completed the industrial and commercial change registration of the capital increase of ECON TECH. After the industrial and commercial change registration, the Company holds 51% of the equity of ECON TECH. It appointed three directors, accounting for 60% of the total directors of ECON TECH and becomes the controlling shareholder of ECON TECH (Announcement No.: L2021-065)</p>
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2. Major non-equity investment

√Applicable □Not applicable

The first one is key engineering expenditures of about 5.762 billion Yuan. The major project investment is as follows:

Unit: yuan Currency: CNY

Item	Approval budget estimate	Actual progress of the Project	Amount input in 2021	Accumulated input amount	Remark
Reconstruction and Expansion Project of Beijing-Taibei Expressway (Dezhou-Qihe section)	1,190,433.35	100%	400031	1019143	As of December 31, 2021, 100% of the subgrade works had been completed since the reconstruction and expansion project of Deqi Section of Beijing-Taibei Expressway commenced; main line pavement works had been completed by 100%; a total of 100% of bridge and culvert works had been completed; the traffic safety works had been completed by 100%; 100% of housing construction had been completed.
Reconstruction and expansion of Beijing-Taibei Expressway (Jinan-Tai'an section)	657312.87	49%	176150	222039	As of December 31, 2021, since the commencement of the reconstruction and expansion project of the Jitai section of the Beijing-Taibei Expressway, the roadbed works has been completed 63.1%; the pavement works has been completed 48.5%; the bridge and culvert works have been completed 49.5%.
Total	1,847,746.22	/	576181	1241182	

The second one is about capital operation. The main debt investment is shown in Statement VII, note-14 of consolidated financial statements, debt investment.

3. Financial assets measured at fair value

√Applicable □Not applicable

Unit: Yuan

Item Description	Beginning balance	Ending balance	Current change	Amount affected of current profits
Shandong Hi-Speed Culture Media Co., Ltd.	17,614,686.36	5,924,195.40	-11,690,490.96	

Shandong Weilai High Speed Railway Co., Ltd.	31,626,837.00	31,626,837.00	0.00	
Shandong Railway Investment Holding Group Co., Ltd.	300,000,000.00	323,236,850.94	23,236,850.94	
Shandong Weiyang High Speed Railway Co., Ltd.		59,350,000.00	59,350,000.00	
Shaoyang Haishang Ecological Agriculture Technology Co., Ltd		1,501,956.00	1,501,956.00	
Nanfeng Cement Receivables No. 1 Asset-Backed Special Plan	35,709,250.00		-35,709,250.00	
Yike Tower Investment Project	563,893,198.11	563,893,198.11	0.00	
BOCOM Schrodgers-Champion Rental Asset-Backed Special Plan	37,879,166.67		-37,879,166.67	
Structural deposits	452,568,219.18		-452,568,219.18	
Financial products	12,235,910.04		-12,235,910.04	
Foreign Trade Trust - Xincheng 30: PPP project trust of Shijiazhuang International Exhibition Center		140,000,000.00	140,000,000.00	
Hubei Zhaoying New energy Industry Investment Fund Partnership (Limited Partnership)		97,090,000.00	97,090,000.00	
Receivable financing	150,364,832.63	123,809,683.09	-26,555,149.54	
Total	1,601,892,099.99	1,346,432,720.54	-255,459,379.45	

4. Specific progress of major asset restructuring and integration during the reporting period

Applicable Not applicable

(VI) Material assets and equity sales

Applicable Not applicable

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

On December 16, 2019, the 44th meeting (interim) of the Fifth Board of Directors of the Company reviewed and approved the Proposal to Complete Land Replacement by Providing Shareholder Loans to Yantai Hesheng Real Estate Development Co., Ltd. To promote the subsidiary equity transfer, the Company, Fushan District Government and the Transferee reached a preliminary agreement to make land replacement regarding the obtained land with the protected area. Based on the government assessment, the value of the

replaced land parcel was 710 million Yuan higher than that of the original one, the Company agreed to provide Yantai Hesheng with shareholder loans of 1 billion to make up the balance and complete land replacement. The transferee agreed the land replacement scheme, and to continue performing the transfer transaction in Shandong Property Rights Exchange Center and repay new shareholder loans and interest on behalf of Yantai Hesheng.

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

(VII) Analysis of major controlled and invested companies

√Applicable □Not applicable

Unit: yuan Currency: CNY

Name of subsidiary	Nature of business	Registered capital	Scope of business	Total assets	Net assets	Net profits
Hubei Wujing Expressway Development Co., Ltd.	Highway management	80800.00	Road, bridge and tunnel investment construction; building material sales; landscape engineering design and construction; road scientific research, labor service, conference service, investment and equity participation, and office rental.	824583.73	315093.73	33437.47
Shandong Hi-Speed Henan Xuyu Highway Co., Ltd.	Highway management	20000.00	Investment in, operation, management and maintenance of expressway construction, and engineering machinery sales and rental.	94250.51	49758.97	3771.08
Shandong Hi-Speed Investment Development Co., Ltd.	Investment and development	400,000.00	General activities: investment activities with its own capital; property management; information technology advisory services; housing lease; technical service, technical development, technical consultation,	857693.51	599235.58	25242.33

Name of subsidiary	Nature of business	Registered capital	Scope of business	Total assets	Net assets	Net profits
			technical exchange, technology transfer and technology promotion; lease of construction machinery and equipment; maintenance of electronic and mechanical equipment (excluding special equipment); installation services for common mechanical equipment; advertising design and agency; advertising (non-radio stations, television stations, newspapers and periodicals publishers); advertising production; sale of building material; sale of gift and flower; sale of mechanical part and spare part; operation of electric wire and cable; sale of mechanical equipment; rental of machinery and equipment; sale of animal husbandry and fishery feed; sale of electronic product; sale of steel bar product for construction; sale of cement product; maintenance of transportation facilities; landscaping construction; earthwork (except for those subject to approval by law, independent business activities shall be carried out by law with business			

Name of subsidiary	Nature of business	Registered capital	Scope of business	Total assets	Net assets	Net profits
			license); permitted activities; construction project supervision; forest seed production and management; all kinds of construction activities; interior decoration of residential housing			
Shandong Hi-speed Rail Transit Group Co., Ltd.	Railway operation	255275.50	Investment and operation management of rail transit facilities; railway passenger and freight transportation; cargo loading and unloading; repair of railway transportation facilities; railway engineering construction; sales and maintenance management of railway transportation equipment and accessories; agency service of special railway and railway special line; warehousing service (excluding inflammable and explosive chemical dangerous goods); railway freight forwarding; technical development, service and product sales of rail transit; rail transit information services and business consulting; import and export of professional equipment, goods and technologies; comprehensive development and operation of ancillary resources along the railway; production and sales of building materials; sales of coal, stone, coke, sand and gravel, building materials,	687071.9	418861.44	42392.05

Name of subsidiary	Nature of business	Registered capital	Scope of business	Total assets	Net assets	Net profits
			ordinary ores, railway transportation equipment accessories, general electrical and mechanical equipment, steel, rail, wood, office supplies, asphalt, fuel oil, grain, feed, agricultural products, iron ore and its concentrate; sales of mine tunnel equipment and related materials; sales of alloy and metallurgical materials; leasing of rail transit machinery and equipment; real estate leasing; engineering supervision and technical services. (Business requiring government approval according to law can only be carried out when such approval from relevant department is obtained)			
Shandong Hi-Speed Railway Construction Equipment Co., Ltd.	Equipment manufacturing	11111.00	Licensed items: construction labor subcontracting; engineering construction activities; import and export of technology; import and export of goods. (Business requiring government approval according to law can only be carried out when such approval from relevant department is obtained, and the specific business activities shall be subject to the approval documents or licenses of relevant departments). General items: earthwork construction; labor	119958.94	64811.16	11089.16

Name of subsidiary	Nature of business	Registered capital	Scope of business	Total assets	Net assets	Net profits
			services (excluding labor dispatch); mechanical equipment leasing; common equipment manufacturing (excluding special equipment manufacturing); manufacturing of special machinery for the production of building materials; sales of mechanical equipment; manufacturing of cement products; sales of cement products; non-residential real estate leasing; technical services, development, consultation, exchange, transfer and promotion. (Except for items subject to approval according to law, business activities may be carried out independently and legally with business license)			
Qilu Expressway Co., Ltd.	Highway management	200000	Construction, maintenance, management and operation of roads, bridges, tunnels and supporting facilities; building decoration; road construction engineering technical consultation and service; processing and maintenance of construction machinery; lease of own equipment; road rescue and obstacle clearance services; construction and operation of port, highway and waterway transportation; maintenance of	663288.6	339225.4	85343.4

Name of subsidiary	Nature of business	Registered capital	Scope of business	Total assets	Net assets	Net profits
			highway information network. (Business requiring government approval according to law can only be carried out when such approval from relevant department is obtained)			
ECON Technology Co., Ltd	Construction	24858.65	Promotion services for environmental protection technology; technical services, technical development and engineering construction of environmental protection projects; water pollution control; solid waste pollution control; air pollution control; soil pollution control and remediation services; construction of foundation works, earthwork works and municipal public works; design and construction of water treatment engineering, water source and water supply engineering, water conservancy and hydropower engineering, electromechanical engineering, construction engineering, electronic and intelligent engineering, river and lake treatment and flood control engineering, municipal water supply and drainage, sewage treatment and urban flood control public utilities; design, construction, technical promotion services and technical	792202.25	260018.33	20234.15

Name of subsidiary	Nature of business	Registered capital	Scope of business	Total assets	Net assets	Net profits
			consultation of photovoltaic power generation, solar energy and wind power generation projects; leasing of construction machinery and equipment; construction labor subcontracting; environmental protection engineering and project management consulting; technical consultation related to environmental protection and new energy projects; Investment in the water industry with own funds; R&D and sales of electronic products and industrial automation products; computer software development; sales of industrial electronic products, water supply and drainage pipes and fittings, plastic products, building materials, mechanical products and garden plants; information system integration services. (Business requiring government approval according to law can only be carried out when such approval from relevant department is obtained)			

Note: The data of Qilu Expressway Co., Ltd. comes from its annual performance announcement in 2021 dated March 30, 2022. The caliber is international accounting standards, and there is no significant difference between domestic and foreign standards.

(VIII) Structured entities controlled by the Company

Applicable Not applicable

The Company and Agricultural Bank of China Financial Management Co., Ltd., as the principals, set up "Bohai Trust · 2021 Jinsui B Expressway Share Collective Fund Trust Plan" and the trustee is Bohai International Trust Co., Ltd. In accordance with the trust contract, the Trust Plan does not set a fixed duration, and the expected

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

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

(I) Industry pattern and trend

Applicable Not applicable

1. Industry policies

At present, China's "Highway Toll Management Regulations" (revised draft for comments) has not yet been formally implemented, however, the policy thinking provided by its content and the reform progress of toll highway investment and financing mechanism will alleviate the huge stress on payment imbalance in the industry to a certain extent. However, the implementation process of investment and financing reform, the implementation period of the revised "Highway Toll Management Regulations" and the feedback of policy effect should be continuously observed.

2. Industry trend

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

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

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

(II) Development strategies

Applicable Not applicable

1. Vision and mission

Vision: Be determined to be a century-old enterprise and build the first brand of China's expressway industry.

Mission: Enrich staff and strengthen enterprise, repay society.

Core values: Virtue oriented in behaving, people oriented in management, sincerity oriented in work, and quality oriented in development.

2. Strategic positioning

China's first-class infrastructure investment construction and operation service provider.

3. Strategic thought

The company's "14th Five-Year Plan" strategic thought can be concluded as "12345", that is, 1 positioning, 2 main lines, 3 guarantees, 4 major sectors, and 5 key points.

1 positioning: Infrastructure investment construction and operation service provider

2 main lines: Carry out incremental, vitalize the stock

3 guarantees: Party building, innovation-driven and talent team

4 major sectors: Operation management, construction management, environmental protection industry, industrial chain investment

5 key points: Focus on main business, investment leading, scientific and technological empowerment, in-depth development, refined operation

(1) Operation management sector

Consolidate and enhance the main business profitability, take business innovation, model innovation, management innovation as a driver, rely on smart expressway, create the core competitiveness of transportation infrastructure operation management, improve the efficiency and management level of stock assets, and strive to achieve operation management output. At the end of the "14th Five-Year Plan" period, strive to build the company into a domestic leading and internationally renowned transportation infrastructure operation service brand.

(2) Construction management sector

Focus on the main road and bridge business, adhere to quality first, benefits priority, become China's first-class infrastructure investor and engineering contractor, and strive to follow a high-quality development path with "excellent engineering quality, obvious economic benefits, and outstanding ecological benefits".

(3) Environmental protection sector

Make full use of expressway enterprises' cash flow, actively intervene in emerging industries such as "government's purchasing healthcare service projects" with stable investment incomes, continuously expand the scale through equity participation in or acquisition of advantageous enterprises in the field of environmental protection; be committed to building a smart environment operator and establishing a first-class professional environmental protection water O&M service brand with the smart environmental protection industry as the core product.

(4) Investment sector

First, continue to increase investment in the acquisition of high-quality expressway projects, and make the main business bigger and stronger; second, focus on investment around the expressway related industrial chain and value chain upstream and downstream to create the main business ecosystem; third, moderately carry out middle- and short-term financial investment, as a beneficial supplement to the long-term stable incomes of the road and bridge and a flexible way for the company to explore industrial expansion.

4. Core strategy

Focus on main business, investment leading, scientific and technological empowerment, in-depth development, refined operation.

Focus on the main business - - seek progress while maintaining stability: During the "14th Five-Year Plan" period, focus on the investment, development and operation of road and bridge, concentrate the company's high-quality resources to support the development of main business, and rely on smart expressway business to do a good job in operation, maintenance and management output.

Investment leading - - create strong points: Make full use of enterprises' cash flow, actively intervene in emerging industries such as "government's purchasing healthcare service sewage treatment and environmental protection industry" to create new and stable revenue profit growth points; guided by project investment, lead the company's layout in the entire transportation industry chain, form key capabilities, and create new income profit growth points.

Scientific and technological empowerment - - improve quality: Fully integrate existing resources, continuously improve technologies, and enhance production efficiency, product quality and service

capabilities. Take the application of science and technology as an effective means, comprehensively improve the scientific and technological level of the company's main business development, to reduce costs and improve efficiency.

In-depth development - - vitalize resources: Focus on the main responsibility and main business, extend the company's industrial chain, stabilize supply chain, enhance the value chain, cultivate the "big transportation" industry ecology with outstanding main business advantages, close integration of industry and finance, and industrial collaborative promotion. Carry out in-depth development of the company's existing highway property, subsidiary resources, and existing data, fully explore the potential of existing stock resources, improve the development efficiency of resources, and release the potential of resources.

Refined operation - - improving quality and efficiency: Build a management system with "complete system, scientific standardization, efficient operation, and full of energy", and promote the modernization of the company's management system and management capabilities. Guided by the strategic goals that need to be achieved during the 14th Five-Year Plan period, the company will design a targeted control model, organizational structure, positions, performance-related pay, and institutional process to enable the internal management to accurately match strategic needs and improve the company's comprehensive operating efficiency.

(III) Operating plan

√Applicable Not applicable

1. Implement the quality improvement of the road and bridge operation and perfect the road and bridge operation system with the road chief system as a core.

The first is to implement three responsibilities. Implement the responsibilities of the road chief, the section chief, and the grid chief, and consolidate the work concept of "all staff participation and everyone is responsible". Implement the responsibility for ensuring a clear road and promote the research on "all-weather traffic" in batches to make sure to achieve the phased results within the year. Strengthen the functions of the operation dispatching center at all levels and give play to their roles as a command hub. Implement safety guarantee responsibility, deepen the "road chief system + grid" potential risks identification mechanism, implement the "three ones" responsibility system for bridges and tunnels, and ensure the safe operation of roads and bridges.

The second is to optimize three services. Rely on innovation work, optimize the entire process service, comprehensively promote the construction of the standardization system of the operation, further develop the big data analysis system and public travel service platform, perfect the traffic induction service mechanism, strengthen the "pass code" system and other means, explore pre-travel planning, reduce the accident rate and provide fast disposal of the accident whole process travel services. Optimize toll marketing services, keep a foothold in the "Changhetong" APP, etc., deeply explore the supply of goods and customers along the line, build a freight platform, and maximize the realization of leading vehicles to travel. Optimize road maintenance services, continuously strengthen basic maintenance, and provide users with the most intuitive and comfortable road appearance and driving experience.

The third is to strengthen four linkages. Adhere to the idea of "a game of chess", strengthen "internal linkage", "regional linkage", "road police and enterprise linkage", and "outsourcing linkage", break the "sector wall and unit boundary", ensure the safe and smooth roads, and 100% barrier clearance rate of reaching the standard of the key section "2030".

2. Focus on capital operation and benefit creation, and perfect the industrial chain and value chain layout around the main business

First, adhere to the expansion of the main business. Rely on the advantageous resources of the controlling shareholder Shandong Hi-Speed Group, actively find high-quality assets in internal and external markets, and make every effort to promote the acquisition of main projects.

Second, adhere to equity investment. Optimize the current equity investment structure, participate in the leading expressway companies outside the province, and find a good opportunity to lay out traffic technology, smart highway, new materials and environmental protection fields.

Third, adhere to moderate financial investment. Focus on strengthening the coordination of internal engineering projects, continue to explore projects cooperating with head central enterprises, prevent and control risks, and strictly control the total amount.

Fourth, adhere to the development of new profit growth points. Explore environmental protection fields

from point to area, promote the coordinated development of three environmental protection enterprises such as ECON Tech, further expand the environmental protection industry, and explore a path for the long-term development of the company's environmental protection industry.

3. Pay close attention to the construction of key projects and create an engineering construction brand with core competitiveness

The first is the Beijing–Taipei Expressway Jinan-Taian section project. Highlight the characteristics, focus on the durable and structure safety of the life cycle project, implement the "six major technical paths", realize "five major improvements" of the quality of the project, complete an annual investment of 1.72 billion yuan, and make sure that the conditions for handover and traffic are met by the end of December.

The second is the Beijing–Taipei Qihe-Jinan section project. Complete an annual investment of 1.492 billion yuan.

The third is the Jinnan-Heze project. Complete an annual investment of 490 million yuan.

The fourth is the Dajiawa-Laizhou-Longkou railway project. Complete an annual investment of 322 million yuan.

The five is the Pinglan railway project. Complete an annual investment of 827 million yuan.

The sixth is to summarize the management experience of the construction of curing projects, perfect the function of engineering investment, explore management output, strive to achieve profits, focus on solving the urgent problem of sustainable development of the company's engineering construction sector, and truly realize "going out".

(IV) Possible risks

Applicable Not applicable

1. Macroeconomic and policy risks

At present, China is facing more complicated and severe development environment. It is a "profound change unseen in a century", we will face more and bigger unpredictable risks and challenges. The highway transportation economic cycle has high coupling with macroeconomic cycle, and economic cycle fluctuations directly influence the demands of economic activities on transportation resources. In terms of policies, the adjustment of expressway toll periods, prices and scope mainly depends on the relevant national policies and approval by the government departments. A series of uncertain risks brings greater challenges to the company.

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

2. Road network effect and divergence risks

The "Outline of the 14th Five-Year Plan for the National Economic and Social Development and Long-term Goals for 2035 of Shandong Province" puts forward the road network extending in all directions. Promote the high-quality development of multi-level highway networks such as expressways, ordinary national and provincial highways, county and rural highways, speed up the expansion and reconstruction of expressways, density increase of roads, construction of interprovincial connection and regional connecting line projects, optimize the layout of expressway networks in main passages, improve the connection efficiency and accessibility level, implement the upgrading of ordinary national and provincial highways and optimize the road network, and further strengthen the connection with hubs such as trains (high-speed railway) stations, airports, ports and logistics parks. By 2025, the mileage of expressway traffic will reach about 10,000 kilometers. As the expressway network gets improved year by year, there are parallel or alternative paths in some sections, objectively resulting in vehicle divergence in the original sections.

Solutions: First, the company will focus on satisfying customer demands, strengthen the customer relationship management, perfect the customer demand survey and analysis working mechanism, segment

customer markets, provide efficient, considerate and personalized services, and build the brand of "harmonious Hi-Speed"; second, the company will take the establishment of comfortable travel environment as base, promote the maintenance mechanization operation, standardized renovation and brand improvement, create favorable highway technical situations and road appearance, and build the brand of "comfortable Hi-Speed"; third, the company will be based on providing smart and thoughtful services, actively develop and apply big data, build a big data management platform and road network operation collaboration platform, conduct the pilot scheme of "unmanned" toll booths, develop new media information release channels, perfect the public information service system, and build the brand of "Smart Hi-Speed"; and, the company will continuously improve its service quality and increase the viscosity to sections operated by the company's drivers and conductors.

3. Project expansion risks

In respect of the main 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 replacement of old growth drivers with new ones; 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, replacement of old growth drivers with new ones, and values. Entry into new investment fields is definitely with certain risks, including wrong judgment risk, investment target cognition risk, investment financial risk, and subsequent management and integration risk, etc.

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

4. Construction management risks

By 2022, the reconstruction and expansion project of Beijing-Taibei Expressway will have been in the centralized construction period and the company will have been in the peak of project construction, and the total final project investment amount might exceed the budget due to removal of some pipelines along the reconstruction and expansion engineering, building material price fluctuation, engineering changes, new policies and technical specifications issued by governments, development plan adjustment by governments, and other unforeseeable factors.

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

(V) Others

Applicable Not applicable

VII. Explanation of situations and causes that the company fails to disclose as per the criteria due to inapplicable criteria or special causes concerning the state and business secrets

Applicable Not applicable

Section IV Company Governance

I. Description of corporate governance

Applicable Not applicable

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

The board of directors of the company is composed of 11 directors, including 4 independent directors; and the board of supervisors is composed of 5 supervisors, including 2 employee supervisors. During the reporting period, the company's board of directors strictly enforced the resolutions of the general meeting. Independent directors used their rich work experience in the professional field to make suggestions on the company's business development, compliance operations, and reward and punishment mechanisms. The supervisors have played their supervision functions through attending the board of directors, the general meeting, and organizing the holding of the board of supervisors, etc., and participated in the company's standardization governance. In 2021, the company held two general meetings, 13 board meetings, and 5 board of supervisors meetings, deliberated 71 issues, disclosed more than 120 announcements and attachments, formulated and revised 8 systems such as the "Working Rules for the Strategic Development and ESG Management Committee", "List of the Board of Directors' Procedures", etc.

During the reporting period, the company was awarded the Shanghai Stock Exchange 2020-2021 Annual Information Disclosure Work Evaluation Level A, the Best Board of Directors in the 12th China's Listing Company Investor Relations Tianma Awards, the 5th China Excellence IR (2021-2022) Best Capital Market Communication Award, the 2021 Annual Most Investor Relations Value Company in China's Listing Company Jinglun Awards, etc.

Whether there are major differences in the company governance and laws, administrative regulations, and China Securities Regulatory Commission's regulations on the governance of listed companies; if yes, the reasons should be explained

Applicable Not applicable

II. The company's controlling shareholder and actual controller's specific measures in ensuring independence of the company's assets, personnel, finance, institutions, business, etc., as well as solutions responding to the influence on the independence of the company, work progress, and subsequent work plans

Applicable Not applicable

Circumstances in which the controlling shareholder, actual controller, and other units that they control are engaged in the same or similar business as the company, as well as the horizontal competition, the influence on the company due to large changes in the horizontal competition, the solutions taken, solving progress and subsequent resolution plans

Applicable Not applicable

III. Brief introduction of general meeting

Session	Date of convening	Query index of the designated website published by the resolution	Disclosure date of the resolution	Resolutions
General meeting of 2020	June 29, 2021	www.sse.com.cn	2021.06.30	Announcement on resolutions of the annual general meeting of Shandong Hi-Speed Co., Ltd. in 2020, announcement number: 2021-40.
The first extraordinary general meeting in 2021	October 29, 2021	www.sse.com.cn	October 30, 2021	Announcement on resolutions of the first extraordinary general meeting of Shandong Hi-Speed Co., Ltd. in 2021, announcement number:

				2021-055.
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Preferred shareholders whose voting rights have been restored request to convene an extraordinary general meeting

Applicable Not applicable

Explanation of general meeting

Applicable Not applicable

IV. Directors, supervisors and senior management information**(I) Shareholding change and remuneration of current and outgoing directors, supervisors and senior management during the reporting period**

√Applicable □Not applicable

Unit: shares

Name	Position (Note)	Gender	Age	Start date of the service term	End of term	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Increase and decrease momentum of shares in the year	Reasons for increase and decrease	Total pretax remuneration received from the company in the reporting period (10,000 yuan)	Is there any remuneration from related parties of the company?
Sai Zhiyi	Chairman	Male	52	August 14, 2018	May 10, 2023	0	0	0	/	20.95	Yes
Han Daojun	Deputy Director	Male	59	December 26, 2016	May 10, 2023	0	0	0	/	10.00	Yes
Lyu Sizhong	Deputy chairman and general manager	Male	57	August 30, 2018	May 10, 2023	0	0	0	/	107.08	No
Zhang Xiaobing	Director	Female	52	May 11, 2020	May 10, 2023	0	0	0	/	85.75	No
Meng Jie	Director	Male	44	December 26, 2016	May 10, 2023	0	0	0	/	10.00	Yes
Liang Zhanhai	Director	Male	54	May 11, 2020	May 10, 2023	0	0	0	/	0	Yes
Sui Rongchang	Directors and secretary of board of directors	Male	47	May 11, 2020	May 10, 2023	0	0	0	/	85.09	No
Fan Yuejin	Independent director	Male	63	May 11, 2020	May 10, 2023	0	0	0	/	10.00	No
Liu Jianwen	Independent director	Male	62	December 26, 2016	May 10, 2023	0	0	0	/	10.00	No
Wei Jian	Independent director	Male	53	April 26, 2019	May 10, 2023	0	0	0	/	10.00	No
Wang Hui	Independent director	Male	51	May 11, 2020	May 10, 2023	0	0	0	/	10.00	No
Yin Jijun	Chairman of the board of	Male	56	January 22, 2021	May 10, 2023	0	0	0	/	101.29	No

	supervisors										
Liu Jingwei	Supervisor	Male	31	May 11, 2020	May 10, 2023	0	0	0	/	10.00	Yes
Lin Leqing	Supervisor	Male	58	December 26, 2016	May 10, 2023	0	0	0	/	10.00	No
Chen Fang	Employee representative supervisors	Female	40	March 04, 2020	May 10, 2023	0	0	0	/	61.06	No
Zhu Yuqiang	Employee representative supervisors	Male	43	March 04, 2020	May 10, 2023	0	0	0	/	29.15	No
Zhang Jun	Deputy General Manager	Male	49	December 05, 2018	May 10, 2023	0	0	0	/	85.06	No
Kang Jian	Deputy General Manager	Male	52	May 17, 2019	May 10, 2023	0	0	0	/	82.03	No
Wang Hao	Deputy General Manager	Male	50	April 27, 2021	May 10, 2023	0	0	0	/	33.06	No
Chang Zhihong	Deputy General Manager	Male	47	April 26, 2019	May 10, 2023	0	0	0	/	82.80	No
Zhou Liang	Chief accountant	Male	50	August 15, 2019	May 10, 2023	0	0	0	/	81.08	No
Sun Jiarong	Chief engineer	Male	58	May 11, 2020	December 20, 2021	0	0	0	/	85.21	No
Hou Fujin	Deputy General Manager	Male	48	May 11, 2020	April 26, 2021	0	0	0	/	40.76	Yes
Total	/	/	/	/	/	0	0	0	/	1,060.37	/

Name	Main working experiences
Sai Zhiyi	From February 1996 to October 2009, he has successively served as the deputy section level cadre of Weihai Branch of Industrial and Commercial Bank of China, director of Credit Department of Weihai Cooperative Bank, president of Shidao branch of Weihai Commercial Bank, president of Shuntong branch of Weihai Commercial Bank, vice president of Weihai Commercial Bank, Party committee member and president of Jinan branch. From October 2009 to May 2011, he served as the general manager of Shandong Re-guarantee Group Co., Ltd. From May 2011 to June 2017, he served as the deputy chairman, president and deputy secretary of the Party committee of Weihai Commercial Bank. From June 2017 to July 2018, he served as the deputy chairman, general manager and deputy secretary of the Party committee of the 5th board of directors of the company. From September 2017 to July 2020, he served as the member of the Party committee and deputy general manager of Shandong Hi-speed Group Co., Ltd. From July 2020 to the end of this reporting period, he served as the executive director of Shandong Hi-speed Group Co., Ltd. From August 2018 to the end of this reporting period, he

	served as the chairman (legal representative) of the 5th and 6th board of directors and secretary of the Party committee.
Han Daojun	From March 2010 to October 2016, he served as the General Manager and member of the Party Committee of Chongqing Communications Research and Design Institute Co., Ltd. of China Merchants. From August 2016 to September 2020, he has served as executive deputy general manager of China Merchants Expressway Network & Technology Holdings Co., Ltd., and from September 2020 to the end of this reporting period, he has served as senior consultant of China Merchants Expressway Network & Technology Holdings Co., Ltd. He also concurrently served as the vice chairman of Chongqing Chengyu Expressway Co., Ltd., chief supervisor of China Merchants Chongqing Transportation Scientific Research Institute Co., Ltd., director of China Merchants Traffic Information Technology Co., Ltd., vice chairman of China Highway & Transportation Society Traffic Investment and Financing Branch. From December 2016 to the end of this reporting period, he served as the deputy chairman of the company's fifth and sixth board of directors.
Lyu Sizhong	From September 2017 to July 2020, he served as a member of the Party committee of Shandong Hi-Speed Group Co., Ltd. From March 2019 to the end of this reporting period, he also concurrently served as an industrial professor of ShanDong JiaoTong University. From April 2019 to the end of this reporting period, he also served as a member of China Highway & Transportation Society Maintenance and Management Branch. From June 2019 to the end of this reporting period, he concurrently served as a member of the expert committee of China Highway Construction Association. From May 2021 to the end of this reporting period, he concurrently served as the vice president of China Association of Communication Enterprise Management and the rotating chairman of Green Smart Transportation Branch. From August 2018 to the end of this reporting period, he served as the deputy chairman of the company's fifth and sixth board of directors, general manager, and deputy secretary of the Party committee, and concurrently served as the director of the management office of the construction of the reconstruction and expansion project of Jinan-Qingdao Expressway.
Zhang Xiaobing	From May 2002 to December 2006, he has successively served as the chief of Human Resources Section (Political Engineering Section) of Qingzhou Management Office of Shandong Infrastructure Construction Co., Ltd., deputy director of Management Office and member of General Party Branch. From December 2006 to February 2012, he has successively served as the deputy director (presiding over the work) of Qingzhou Management Office of Shandong Expressway Company Limited, secretary of General Party Branch and chairman of Trade Union of Weifang Branch, and secretary of General Party Branch, chairman of Trade Union and secretary of the Party committee of Jinan Branch. From February 2012 to July 2014, he served as the general manager and deputy secretary of the Party committee of Beijing-Taibei Branch of Shandong Expressway Operation Management Co., Ltd. From July 2014 to April 2020, he served as the member of the Party committee and deputy general Manager of Shandong Expressway Co., Ltd. From January 2018 to September 2018, he concurrently served as the general manager of Operation Division of Shandong Expressway Company Limited. From June 2018 to the end of this reporting period, he concurrently served as the director of Shandong Expressway Development Co., Ltd. From May 2020 to the end of this reporting period, he served as the director of the 6th board of directors of the company and deputy secretary of the Party committee.
Meng Jie	From October 2009 to November 2013, he served as the general manager of Equity Management Department of China Merchants Huajian Highway Investment Co., Ltd. From November 2013 to January 2015, he served as the deputy general manager of Enterprise Management Department of China Merchants Huajian Highway Investment Co., Ltd. From February 2015 to January 2016, he served as the chief analyst of China Merchants Huajian Highway Investment Co., Ltd. From February 2016 to August 2016, he served as the chief analyst of China Merchants Huajian Highway Investment Co., Ltd and general manager of Capital Operation Department. From August 2016 to the end of this reporting period, he served as the chief analyst of China Merchants Expressway Network & Technology Holdings Co., Ltd. and general manager of Capital Operation Department (the Board Office) He concurrently served as the director of Henan Zhongyuan Expressway Co., Ltd., Heilongjiang Transportation Development Co., Ltd., Hyundai Investment Co., Ltd., Jiangsu Ningjingyan Expressway Co., Ltd. and Guangxi Wuzhou Transportation Co., Ltd. From May 2016 to the end of this reporting period, he has successively served as the director of the 4th, 5th and 6th board of directors of the company.
Liang Zhanhai	From December 2002 to April 2004, he has successively served as the employee and senior manager of Shandong Qilu Certified Public Accountants. From April 2004 to November 2007, he has successively served as the employee and manager of Financial Department of Shandong China Fluoro Chemical

	Technology Co., Ltd. From November 2007 to January 2011, he served as the director of Financial Audit Department of Shandong Local Railway Bureau. From January 2011 to the end of this reporting period, he has successively served as the deputy head and head of Planning and Finance Department of Shandong Expressway Group Co., Ltd., and concurrently served as the director of Shandong Expressway Basketball Club Co., Ltd., chairman of the board of supervisors of Shandong Railway Development Fund Co., Ltd., member of the Party committee and chief accountant of Lunan High-speed Railway Co., Ltd., director of Shandong Hi-speed Group (Hong Kong) Co., Ltd. and non-executive director of China Shandong Expressway Financial Group Limited, director of Shandong Future Group Co., Ltd. From May 2020 to the end of this reporting period, he served as the director of the 6th board of directors of the company.
Sui Rongchang	From February 2007 to December 2007, he served as the deputy director of Jinan Yellow River Long Bridge Management Office of Shandong Expressway Company Limited and member of the General Party Branch. From December 2007 to February 2012, he has successively served as the deputy manager of the company's Jinan-Qingdao South Line Branch, member of the General Party Branch. From February 2012 to July 2014, he served as the deputy general manager of Jinan Shengbang Real Estate Co., Ltd., member of the General Party Branch and secretary of the Commission for Discipline Inspection of Jinan. From July 2014 to October 2019, he served as the office director of the company. From December 2018 to the end of this reporting period, he served as the secretary of the company's 5th and 6th board of directors. From September 2021 to the end of this reporting period, he concurrently served as the director of Shandong Expressway Rail Transit Group Co., Ltd. From May 2020 to the end of this reporting period, he served as the director of the 6th board of directors of the company.
Fan Yuejin	He currently serves as the second-level professor and doctoral supervisor of Business School of Qingdao University. He concurrently served as the vice president of China Emerging Economies Research Association, honorary chairman of Shandong Society of World Economics, president of Shandong Association of Higher Education, and vice president of Shandong Senior Professors Association. From May 2020 to the end of this reporting period, he served as an independent director of the 6th board of directors of the company.
Liu Jianwen	From July 1986 to December 1999, he has successively served as the teaching assistant, lecturer, associate professor, professor and doctoral supervisor of civil and commercial law in Law School of Wuhan University. From July 1999 to now, he has been serving as the professor of Law School of Peking University and doctoral supervisor of economic law major, a distinguished professor of Liaoning University and a distinguished professor of "Cheung Kong Scholars Programme" of Ministry of Education. From December 2016 to the end of this reporting period, he served as an independent director of the 5th and 6th board of directors of the company.
Wei Jian	From August 2001 to August 2003, he was engaged in postdoctoral research in postdoctoral workstation of Guangfa Securities Co., Ltd. From July 2002 to January 2020, he worked in the Economic Research Institute of Shandong University. From July 2006 to July 2007, he visited the Law School of the University of Illinois for one year. From January 2020 to now, he has been working in the Zhongtai Securities and Finance Research Institute of Shandong University. He is now the chief editor of Journal of Shandong University (Philosophy Society Edition), professor and doctoral supervisor of Zhongtai Securities and Finance Research Institute of Shandong University, New Century Excellent Talent of the Ministry of Education and special allowance expert of the State Council. From April 2019 to the end of this reporting period, he served as an independent director of the 5th and 6th board of directors of the company.
Wang Hui	From January 1994 to April 2013, he served as the chairman of Shandong Huide Certified Public Accountants Co., Ltd. From January 2001 to December 2001, he concurrently served as the Manager of Crowe Horwath. From April 2013 to now, he has been serving as the chief partner of Hexin Certified Public Accountants LLP. Now he is the rotating president of Shandong Institute of Certified Public Accountants and member of professional steering committee of the Chinese Institute of Certified Public Accountants. From May 2020 to the end of this reporting period, he served as an independent director of the 6th board of directors of the company.

Yin Jijun	From June 2013 to May 2020, he served as the director of the 4th and 5th board of directors of the company, deputy general manager and member of the Party committee. From June 2013 to August 2019, he served as the chief accountant of the company. From March 2014 to March 2018, he concurrently served as the chairman of Shandong Environmental Protection Industry Co., Ltd. From May 2014 to July 2018, he concurrently served as the chairman (legal representative) of Shandong Lijin Huanghe Highway and Bridge Co., Ltd. From November 2014 to the end of this reporting period, he served as the director of Weihai City Commercial Bank Co., Ltd. From September 2017 to March 2019, he served as the chairman (legal representative) of Shandong Expressway Changying Equity Investment Management Co., Ltd. From May 2020 to January 2021, he served as the supervisor of the 6th board of supervisors of the company and member of the Party committee. From January 2021 to now, he has been serving as the chairman of the 6th board of supervisors of the company and member of the Party committee.
Liu Jingwei	From March 2018 to the end of this report period, he served as the Manager of Capital Operation Department (Office of the Board of Directors) of China Merchants Expressway Network & Technology Holdings Co., Ltd. He also served as the supervisor of Henan Zhongyuan Expressway Co., Ltd. and Xiandai Touzi Co., Ltd.; from May 2020 to the end of this report period, he served as the supervisor of the 6th Board of Supervisors of the Company.
Lin Leqing	At present, he is a certified public accountant of Shandong Branch of Reanda Certified Public Accountants LLP. He once served as the director of Shandong Audit Office, director of Shandong Provincial Audit Office, general manager of Shandong Zhengyuan Hexin Certified Public Accountants. From April 2006 to December 2016, he concurrently served as an independent director of the 3rd and 4th board of directors of the company. From November 2008 to June 2016, he served as an independent director of Zhonglei Certified Public Accountants Co., Ltd. From December 2016 to the end of this reporting period, he served as the supervisor of the 5th and 6th board of supervisors of the company.
Chen Fang	From November 2007 to December 2019, he has successively served as staff the employee and deputy manager of the company's Planning and Finance Department. From December 2018 to the end of this reporting period, he concurrently served as the director of Hubei Wujing Expressway Development Co., Ltd. From December 2019 to the end of this reporting period, he served as the head of the company's Planning and Finance Department (Asset Management Office). From November 2020 to the end of this reporting period, he concurrently served as the director of Shandong Hi-Speed (Shenzhen) Investment Co., Ltd. From July 2021 to the end of this reporting period, he concurrently served as the director of Shandong Hi-Speed Investment Development Co., Ltd. From March 2020 to the end of this reporting period, he served as the employee supervisor of the company's 5th and 6th board of the board of supervisors.
Zhu Yuqiang	From January 2008 to August 2011, he served as the deputy section chief of the Toll Section of Jinan Branch of Shandong Hi-speed Group (Jingfu Jinan Branch). From August 2011 to August 2013, he has successively served as the first deputy station chief, deputy Party branch secretary and deputy station chief of the over-bridge toll station of Jinan Branch of Shandong Hi-speed Group. From August 2013 to August 2014, he served as the Party branch secretary and station chief of the over-bridge toll station of the company's Jinan-Taian Branch. From August 2014 to May 2016, he served as the Party branch secretary and station chief of over-bridge station of the company's Jinan-Taian Branch. From May 2016 to December 2017, he served as the company's Party branch secretary and station chief of Jinan West toll station of Jinan-Taian Branch. From January 2018 to the end of this reporting period, he has successively served as the head of the Party Labor Force Section, member of the Party committee, and vice chairman of the Trade Union of the company's Jinan-Taian Jinan Transportation Management Center. From March 2020 to the end of this reporting period, he served as the employee supervisor of the 5th and 6th board of supervisors of the company.
Zhang Jun	From July 2008 to December 2017, he has successively served as the member of the Party committee, the deputy secretary of the Party committee of Shandong Hi-speed Information Engineering Co., Ltd., director, deputy general manager and executive deputy general manager. From December 2017 to December 2018, he served as the member of the Party committee, secretary of the Discipline Inspection Commission and Chairman of the labor union of the company. From December 2018 to the end of the reporting period, he served as the deputy general manager and member of the Party committee of the company.

Kang Jian	From October 2012 to June 2013, he served as vice president (presided over the work) of Jinan Management Department of Jinan Branch of Industrial Bank. From June 2013 to April 2019, he served as the member of the Party committee and vice president of Jinan Branch of Ping An Bank. From September 2021 to the end of this reporting period, he concurrently served as the director of Shandong Hi-Speed Rail Transit Group Co., Ltd. From May 2019 to the end of this reporting period, he served as the member of the Party committee and deputy general manager of the company.
Wang Hao	From October 2017 to April 2021, he has successively served as the deputy director of the Construction Office of the Improvement and Reconstruction Project of Shandong Hi-Speed Group Service Area and the member of the Party committee, member of the Party committee and deputy general manager of Shandong Hi-Speed Construction Management Group Co., Ltd. During this period, he concurrently served as the member of the Party committee and deputy general manager of Improvement and Construction Engineering Co., Ltd. of Shandong Hi-Speed Service Area. From April 2021 to the end of this reporting period, he served as the member of the company's Party committee and deputy general manager.
Chang Zhihong	From February 2012 to September 2018, he served as the deputy director of the Party Committee Working Department, deputy director of the Supervision Office and Secretary of the Youth League Committee of Shandong Hi-speed Group Co., Ltd. From September 2018 to March 2019, he served as the deputy director of the Party Committee Organization Department and secretary of the Youth League Committee of Shandong Hi-speed Group Co., Ltd. From April 2019 to the end of this reporting period, he served as the member of the Party committee and deputy general manager of the company.
Zhou Liang	From June 2016 to August 2019, he served as the deputy chief accountant and manager of the Planning and Finance Department of Shandong Hi-Speed Co., Ltd. From October 2016 to the end of this reporting period, he concurrently served as the supervisor of Shandong Hi-Speed Jidong Development Co., Ltd. From June 2018 to the end of this reporting period, he concurrently served as the director of Shandong Hi-Speed Development Co., Ltd. From April 2019 to the end of this reporting period, he concurrently served as the director of Dongxing Securities Co., Ltd. From March 2020 to the end of this reporting period, he concurrently served as the director of Shandong Hi-Speed Changying Equity Investment Management Co., Ltd. From April 2020 to the end of this reporting period, he concurrently served as the director of Shandong Hi-Speed Chain Cloud Technology Co., Ltd. Since January 2021, he has concurrently serves as the director of Shandong Hi-Speed Property Service Development Group Co., Ltd. From August 2019 to the end of this reporting period, he served as the member of the company's Party committee and chief accountant.
Liu Jiarong	From July 2000 to December 2006, he has successively served as the principal and manager of the Maintenance and Infrastructure Department of the company. From December 2006 to the end of this reporting period, he served as the chief engineer of the company. From July 2008 to the end of this reporting period, he served as the member of the Party committee of the company. From March 2015 to the end of this reporting period, he also served as the executive deputy director of the Construction Management Office of the reconstruction and expansion project of Jinan-Qingdao Expressway. From February 2018 to December 2021, he concurrently served as the director of the Construction Management Office of reconstruction and expansion project of Dezhou-Qihe section of Beijing-Taibei Expressway From February 2016 to May 2020, he served as the company's deputy general manager. From May 2020 to the end of this reporting period, he served as the company's chief engineer and member of the Party committee.
Hou Fujin	He once served as the member of the Party committee and deputy general manager of Shandong Hi-speed Construction Management Group Co., Ltd.; the chairman (legal representative) and general manager of Shandong Hi-speed Jinan-Tainan (Laizhou) Intercity Highway Company; director and Party branch secretary of Construction Management Office of Taian-Zaozhuang reconstruction and expansion project of Beijing-Taibei Highway of Shandong Hi-speed Group Co., Ltd. From May 2020 to the end of this reporting period, he served as the deputy general manager and member of the Party committee of the company.

Other information

Applicable Not applicable

(II) Positions of directors, supervisors and senior managers at present and during the reporting period.**1. Positions at shareholder entities**√Applicable Not applicable

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

2. Positions at other entities√Applicable Not applicable

Name of employee	Name of other companies	Position held in the other company
Han Daojun	Chongqing Chengyu Expressway Co., Ltd	Deputy Director
Han Daojun	Chongqing Communications Research and Design Institute Co., Ltd. of China Merchants	Chairman of the board of supervisors
Han Daojun	Traffic Information Technology Co., Ltd of China Merchants	Director
Han Daojun	China Highway & Transportation Society Traffic Investment and Financing Branch	Deputy Director-General
Lyu Sizhong	China Association of Communication Enterprise Management	Vice President
Lyu Sizhong	China Association of Communication Enterprise Management Green Smart Transportation Branch	Rotating president
Lyu Sizhong	China Highway & Transportation Society Maintenance and Management Branch	Director
Lyu Sizhong	Expert Committee of China Highway Construction Association	Committee Member
Lyu Sizhong	ShanDong JiaoTong University	Industry professor
Zhang Xiaobing	Shandong Hi-Speed Road Development Co., Ltd.	Director
Meng Jie	Henan Zhongyuan Expressway Co., Ltd	Director
Meng Jie	Jiangsu Ningjingyan Expressway Co., Ltd	Director
Meng Jie	Heilongjiang Transportation Development Co., Ltd	Director
Meng Jie	Hyundai Investment Co., Ltd	Director
Meng Jie	Guangxi Wuzhou Communications Co., Ltd	Director

Liang Zhanhai	Shandong Hi-Speed Group (Hong Kong) Co., Ltd	Director
Liang Zhanhai	China Shandong Hi-speed Financial Group Limited	Non-executive director
Liang Zhanhai	Shandong Future Group Co., Ltd.	Director
Sui Rongchang	Shandong Hi-speed Rail Transit Group Co., Ltd.	Director
Fan Yuejin	Qingdao University	Professor
Fan Yuejin	China Emerging Economies Research Association	Vice President
Fan Yuejin	Shandong Society of World Economics	Honorary chairman
Fan Yuejin	Shandong Association of Higher Education	President
Fan Yuejin	Shandong Senior Professors Association	Vice President
Liu Jianwen	Beijing University	Professor of Law School, doctoral supervisor of economic law major
Liu Jianwen	Liaoning University	Distinguished Professor
Liu Jianwen	Yangtze River Scholars Award Program	Distinguished Professor
Wei Jian	Zhongtai Securities and Finance Research Institute of Shandong University	Professor and doctoral supervisor, New Century Excellent Talents of the Ministry of Education
Wei Jian	Journal of Shandong University (ZS Edition)	Editor in chief
Wang Hui	Hexin Certified Public Accountants (LLP)	Chief partner
Wang Hui	Shandong Institute of Certified Public Accountants	Rotating president
Wang Hui	Professional Steering Committee of China Institute of Certified Public Accountants	Committee Member
Yin Jijun	Weihai City Commercial Bank Co., Ltd.	Director
Liu Jingwei	Henan Zhongyuan Expressway Co., Ltd	Supervisor
Liu Jingwei	Hyundai Investment Co., Ltd	Supervisor
Lin Leqing	Li'anda Certified Public Accountants Co., Ltd	Certified public accountant
Chen Fang	Hubei Wujing Expressway Development Co., Ltd	Director
Chen Fang	Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.	Director
Chen Fang	Shandong Hi-Speed Investment Development Co., Ltd.	Director
Kang Jian	Shandong Hi-speed Rail Transit Group Co., Ltd.	Director
Zhou Liang	Shandong Hi-Speed Road Development Co., Ltd.	Director
Zhou Liang	Dongxing Securities Company, Ltd.	Director
Zhou Liang	Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	Director
Zhou Liang	Shandong Hi-Speed Sulianyun Technology Co., Ltd.	Director
Zhou Liang	Shandong Hi-speed Property Service Development Group Co., Ltd.	Director

Zhou Liang	Shandong Hi-Speed Jidong Development Co., Ltd.	Supervisor
Description of employment in other companies	None	

(III) Salary information of directors, supervisors and senior managers√Applicable Not applicable

Decision-making procedures for remuneration of directors, supervisors and senior managers.	The remunerations of the company's directors, supervisors, and senior managers are deliberated and approved by the company's general meeting. The directors, supervisors and senior managers of the company are paid on an annual basis.
Determination basis for remuneration of directors, supervisors and senior managers.	On December 21, 2018, the company's fourth extraordinary general meeting approved the "Management Measures for the Remuneration of Directors, Supervisors and Senior Managers"; on June 13, 2020, the company's second extraordinary general meeting of shareholders deliberated and approved the "Proposal on Adjusting the Remuneration of External Directors and Supervisors".
Actual payment of remuneration of directors, supervisors and senior managers	For details, please refer to Item I (I) of Section IV (1) of this report "Shareholding change and remuneration of current and outgoing directors, supervisors and senior management during the reporting period".
Total remuneration actually received by all directors, supervisors and senior managers at the end of the reporting period	For details, please refer to Item I (I) of Section IV (1) of this report "Shareholding change and remuneration of current and outgoing directors, supervisors and senior management during the reporting period".

(IV) Changes in directors, supervisors and senior managers√Applicable Not applicable

Name	Title	Status of Change	Variable causes
Yin Jijun	Chairman of Board of Supervisors	Election	Because of work
Wang Hao	Deputy General Manager	Employment	Because of work
Hou Fujin	Deputy General Manager	Resign	Because of work
Sun Jiarong	Chief engineer	Resign	Because of work

(V) Description of punishments by securities regulatory authorities in recent three years Applicable Not applicable**(VI) Others** Applicable Not applicable**V. Relevant information on board meetings held during the reporting period**

Session	Date of convening	Resolutions
The 17th meeting of the 6th board of directors (extraordinary)	January 22, 2021	The "Proposal on Zhongyi-Shandong High-Speed Infrastructure Creditor's Rights Investment Plan" and the "Proposal on the Preemptive Right of Transfer of Equity Interest of Shandong Hi-Speed Changing Equity Investment Management Co., Ltd." were deliberated and passed.
The 18th meeting of the 6th board of	March 10, 2021	The "Proposal on the Changes in the Preemptive Right of Transfer of Equity Interest of Shandong Hi-Speed Changing Equity

directors (extraordinary)		Investment Management Co., Ltd." was deliberated and passed.
The 19th meeting of the 6th board of directors	March 29, 2021	The "Work Report of the Board of Directors in 2020", "Work Report of General Manager in 2020", "Financial Final Report in 2020", "Draft of Financial Budget in 2020", "Profits Distribution Scheme in 2020", "Annual Report and Abstract in 2020", "Proposal Regarding the Further Employment of Shinewing Certified Public Accountants (Special Partnership) as the Company's Domestic Audit Institution in 2021", "Internal Control Evaluation Report in 2020", "Internal Control Audit Report in 2020", "Social Responsibility Report, Environment, Society and Social and Governance Report in 2020", "Work Report of Independent Directors in 2020", "Report on the Duty Performance of the Audit Committee of the Board of Directors in 2020", "Proposal on Adjusting the Performance Commitment Period of the Subsidiary and Adding Performance Commitments", "Proposal on the Estimated Loans and Deposits Affiliate Transaction in 2021" and the "Proposal on Granting Reserved Stock Option to the Incentive Objects" were deliberated and passed.
The 20th meeting of the 6th board of directors (extraordinary)	March 25, 2021	The "Proposal on the Subsidiary's Participation in the Bidding for the New Construction of Jinan to Zaozhuang Railway Civil Construction Project" and the "Proposal on the Common Establishment of Project Company by the Subsidiary and Affiliated Party" were deliberated and passed.
The 21th meeting of the 6th board of directors (extraordinary)	April 27, 2021	The "Company's Report in the First Quarter in 2021", "Investment Plan of Shandong High-Speed Property Development Group Co., Ltd.", and "Proposal on Employing Mr. Wang Hao as the Deputy General Manager of the Company" were deliberated and passed.
The 22th meeting of the 6th board of directors (extraordinary)	May 18, 2021	The "Proposal on Joint Initiation of the Establishment of Jinan Lugao Construction Investment Partnership (Limited Partnership)" was deliberated and passed.
The 23th meeting of the 6th board of directors (extraordinary)	June 7, 2021	The "Proposal on Providing Financing Guarantee for Shandong General Aviation Services Co., Ltd.", "Proposal on Registration of Super Short-term Financing Bill", and "Proposal on Holding the Company's 2020 Annual General Meeting" were deliberated and passed.
The 24th meeting of the 6th board of directors (extraordinary)	August 23, 2021	The "Company's Semi-annual Report in 2021", "Company <List of Procedures of the Board of Directors>", "Company <System for the Board of Directors' Authorization to Managers and General Manager's Reporting to the Board of Directors>", "Company <Rules of Procedures of General Manager's Office Meeting>", "Proposal on Amending the <Outstanding Guarantee Management System>", "Proposal on Amending the Affiliate Transaction Management System", "Proposal on Amending the Information Disclosure Affairs Management System" and "Proposal on Amending the Investment Management Measures" were deliberated and passed.
The 25th meeting of the 6th board of directors (extraordinary)	October 13, 2021	The "Proposal on the Acquisition of 38.93% Equity of Qilu Expressway Co., Ltd." and "Proposal on Notifying the Holding of the First Extraordinary General Meeting in 2021" were deliberated and passed.
The 26th meeting of the 6th board of directors	October 29, 2021	The "Company's Report in the Third Quarter in 2021" was deliberated and passed.
The 27th meeting of	November 4,	The "Proposal on Investing in 51% Equity of ECON Technology

the 6th board of directors (extraordinary)	2021	Co., Ltd." was deliberated and passed.
The 28th meeting of the 6th board of directors	November 26, 2021	The "Proposal on Adjusting the Special Committee of the Board of Directors and Its Working Rules" and "Proposal on Signing ETC Service Agreement" were deliberated and passed.
The 29th meeting of the 6th board of directors	December 27, 2021	The "Proposal on Signing the" Entrusted Management Agreement" and "Proposal on the Company's Holding Subsidiary Shandong High-Speed Rail Transit Group Co., Ltd.'s Offering Guarantee for Shandong Lingang Shugang Rail Transit Co., Ltd." were deliberated and passed.

VI. Performance of directors' duties

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

Name of the director	The independent director or not	Participation in the board of director						Participation in the general meeting
		Times to attend the board of directors in this year	Number of meetings attended in person	Times to attend the meeting by means of communication	Number of meetings attended by agents	Number of absent meetings	Whether absence from meeting in person for two consecutive times?	Times to attend the general meeting
Sai Zhiyi	No	13	13	9	0	0	No	2
Han Daojun	No	13	13	12	0	0	No	0
Lyu Sizhong	No	13	13	9	0	0	No	1
Zhang Xiaobing	No	13	13	9	0	0	No	1
Meng Jie	No	13	13	13	0	0	No	0
Liang Zhanhai	No	13	13	12	0	0	No	1
Sui Rongchang	No	13	13	9	0	0	No	2
Fan Yuejin	Yes	13	12	12	1	0	No	0
Liu Jianwen	Yes	13	13	13	0	0	No	0
Wei Jian	Yes	13	13	12	0	0	No	1
Wang Hui	Yes	13	13	13	0	0	No	0

Notes for absence from the board of directors by two consecutive two times

Applicable Not applicable

Number of board meetings held within the year	13
Including: number of on-site meetings	0
Number of meetings held by means of communication	9

Number of meetings held on site in combination with the means of communication	4
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(II) Directors' objection to relevant matters of the company

Applicable Not applicable

(III) Others

Applicable Not applicable

VII. Information on special committees under the board of directors

Applicable Not applicable

(1). Information on members of the special committees under the board of directors

Type of special committees	Names of members
Audit Committee	Wang Hui, Liu Jianwen, Liang Zhanhai
Nomination Committee	Fan Yuejin, Sai Zhiyi, Han Daojun, Wei Jian, Wang Hui
Salary and Assessment Committee	Wei Jian, Han Daojun, Liu Jianwen, Fan Yuejin, Meng Jie
Strategic Development and ESG Management Committee	Sai Zhiyi, Han Daojun, Lu Sizhong, Zhang Xiaobing, Sui Rongchang

(2). During the reporting period, the audit committee held 6 meetings

Date of convening	Content	Important opinions and suggestions	Performance of duties
March 18, 2021	Shinewing Certified Public Accountants (Special Partnership) was nominated as the company's 2021 financial report and internal control audit institution, with an annual audit fee of 878,900 yuan.	Shinewing Certified Public Accountants (Special Partnership) performed well in independent objectivity, professional technical level, the quality and efficiency of financial information disclosure review, as well as the communication effect with the company. It has professional competence and investor protection capabilities. In order to ensure the continuity of the company's financial report and internal control audit work, the meeting suggested further employment of Shinewing Certified Public Accountants (Special Partnership) as the company's 2021 financial report and internal control audit institution, which was submitted to the company's board of directors for deliberation.	None
	The "Shandong Hi-Speed's Proposal on Adjusting the Subsidiary's Performance Commitment Period and Adding Performance Commitment" was reviewed, and the "Written Review Opinions of the Audit Committee of the Board of Directors of Shandong Hi-Speed Co., Ltd. on Adjusting the Subsidiary's Performance Commitment Period and	The adjustment of subsidiary's performance commitment period and addition of performance commitments are in line with the regulations of relevant laws, regulations, and standardized documents such as China Securities Regulatory Commission's "No. 4 Regulatory Guidelines of Listed Companies -- Actual Controllers, Shareholders, Affiliated Parties, Acquirers of Listed Companies, and Commitment and Performance of Listed Companies". The extension of the performance commitment period is in line with the company's long-term interests. The meeting agreed to adjust the performance commitment period of the subsidiary and add performance commitments, and agreed to submit the proposal to the company's board of directors for deliberation.	None

	<p>Adding Performance Commitment" was issued.</p> <p>The "Shandong High-Speed's Proposal on the Estimated Loans and Deposits Affiliate Transaction in 2021" was reviewed, and the "Written Review Opinions of the Audit Committee of the Board of Directors of Shandong Hi-Speed Co., Ltd. on the Estimated Loans and Deposits Affiliate Transaction in 2021" was issued.</p>	<p>The company's loans and deposits business transactions carried out in Weihai City Commercial Bank followed the principle of marketization, with a fair pricing, and had no situation of damaging the interests of the company and shareholders, which complies with the relevant laws and regulations such as the "Company Law", "Securities Act" and the provisions of company's "Articles of Association". At the meeting, it was agreed to submit the proposal to the company's board of directors for deliberation.</p>	None
October 9, 2021	<p>The "Proposal on the Acquisition of 38.93% Equity of Qilu Expressway Co., Ltd." and related information were reviewed, and the "Written Review Opinions of the Audit Committee of the Board of Directors of Shandong Hi-Speed Co., Ltd. on the Acquisition of 38.93% Equity of Qilu Expressway Co., Ltd." was issued.</p>	<p>This affiliated transaction meets the company's strategic development needs, and is conducive for the company to further develop and grow the company's main transportation business. The transaction complies with the relevant laws and regulations such as the "Company Law", "Securities Act", and the "Listing Rules for the Stocks of Shanghai Stock Exchange" and the provisions of the "Articles of Association". The transaction price was determined based on the evaluation results of asset evaluation agency with qualifications for executing securities and futures-related business. The transaction pricing was objective and fair, the transaction behavior was fair, and in line with affiliate transaction rules and the interests of the company, and did not damage the interests of non-affiliated shareholders, especially minority shareholders. At the meeting, it was agreed to submit the proposal to the company's board of directors for deliberation.</p>	None
October 19, 2021	<p>The "Shandong Hi-Speed Co., Ltd.'s Report in the Third Quarter in 2021" was reviewed, and the "Written Review Opinions of the Audit Committee of the Board of Directors of Shandong Hi-Speed Co., Ltd. on the Report in the Third Quarter in 2021" was issued.</p>	<p>The company's financial report in the third quarter of 2021 reflects the company's business results and ending financial status in the third quarter of 2021 in a true, accurate and complete manner, and there are no false records, misleading statements or major omissions.</p> <p>In accordance with the relevant regulations of the Ministry of Finance and the Securities Regulatory Commission, combined with the actual situation of the company, the company selected and used the proper accounting policy with the principle of prudence, which complies with relevant laws and regulations and the provisions of the "Articles of Association". It was agreed to submit the proposal to the company's board of directors for deliberation.</p>	None

December 3, 2021	The financial statements in 2021 prepared by the company and the "Audit Plan of Shandong Hi-Speed Co., Ltd. in 2021" submitted by Shinewing Certified Public Accountants (Special Partnership) were deliberated and passed.	Relevant departments and audit institution of the company shall carefully study relevant policies in accordance with the latest regulatory requirements of China Securities Regulatory Commission, the Ministry of Finance, Shanghai Stock Exchange and other regulatory agencies, fully pay attention to the company's key audit work in 2021, follow the principle of prudence, and complete the preparation, deliberation, submission and information disclosure of the report in 2021 in an all-round way.	None
January 7, 2022	The report of the annual audit certified public accountant Shinewing Certified Public Accountants on affairs found in the preliminary review stage was listened.	Supervise the accounting firm, company's Planning and Finance Department, and Audit Department to implement the preparations for year-end audit as soon as possible.	None
February 28, 2022	The "Audit Committee Report", "Shandong Hi-Speed Co., Ltd.'s Financial Statements and Audit Report (Draft) in 2021" and "Shandong Hi-Speed Co., Ltd.'s Financial Report Internal Control Audit Report (Draft) in 2021" submitted by Shinewing Certified Public Accountants were deliberated and passed.	It was agreed to submit the "Shandong Hi-Speed Co., Ltd.'s Financial Statements and Audit Report (Draft) in 2021" and "Shandong Hi-Speed Co., Ltd.'s Financial Report Internal Control Audit Report (Draft) in 2021" to the company's board of directors for deliberation.	None

(3). During the reporting period, the nominations committee held 1 meeting

Date of convening	Content	Important opinions and suggestions	Performance of duties
April 21, 2021	Mr. Wang Hao was nominated as the company's deputy general manager.	According to the company's general manager nomination, combined with the requirements for job qualification of the company's senior management, the occupation, education, title, detailed work experience and other matters of the person to be appointed were examined. The board of directors' nomination committee agreed to nominate Mr. Wang Hao as the company's deputy general manager and decided to submit the nomination to the company's board of directors for deliberation.	None

(4). During the reporting period, the Strategic Development and ESG Management Committee held 1 meeting

Date of convening	Content	Important opinions and suggestions	Performance of duties
November 15, 2021	On the basis of the original "Strategic Development Committee", the "Strategic Development and ESG Management	At the meeting, it was agreed to consolidate the establishment of the "Strategic Development and ESG Management Committee" on the basis of the original "Strategic Development Committee", and adjust its working rules, and to submit the "Proposal on Adjusting the Special Committee of	None

	Committee" was merged and established, its working rules were adjusted.	the Board of Directors and Its Working Rules" to the company's board of directors for deliberation.	
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(5). Specific situation of objection matters

Applicable Not applicable

VIII. Descriptions of finding out some risks in the company by the board of supervisors

Applicable Not applicable

The board of supervisors has no objection to the supervisory matters during the reporting period.

IX. Employees of the parent company and major subsidiaries during the reporting period**(I) Condition of employee**

Number of active employees in the parent company	5,317
Number of active employees in the major subsidiaries	4,078
Total number of active employees	9,395
Number of retired employees whose salary need to be borne by the parent company and major subsidiaries	703
Composition of the discipline	
Category of discipline composition	Number of professionals
Production personnel	6,372
Salesman	78
Technical staff	1,752
Financial officer	169
Administrative staff	1,024
Total	9,395
Educational level	
Education level category	Number (Person)
Graduate student	606
Bachelor	4,826
Junior college education	2,870
Under junior college	1,093
Total	9,395

(II) Remuneration policy

Applicable Not applicable

The remuneration policy for the company's employees can be divided into two parts: fixed salary and floating salary. Fixed salary is linked up with factors such as employee's position and working year; while floating salary is mainly linked up with the company's operating conditions and personal assessment and performance of employees. The establishment of the system is built on the basis of expert argumentation and full consideration of the value of each position. In general, the principle of distribution according to work is followed and the wages of employees are linked with the company's operation and development and economic benefits and can be increased and decreased. The remuneration policy for the company's employees fully mobilizes the enthusiasm of employees and stimulates their passion for work.

(III) Training plan

Applicable Not applicable

Carry out the quality training of all employees to improve their business level. In 2021, with the goal of

improving the overall quality and business level of employees, combined with the annual training plan, all ownership units and departments of the headquarters carried out more than 1,300 training activities throughout the year through centralized training, business competition, knowledge answers, online training. At the same time, in order to help the front-line operators adapt to the new charging model, carried out operating management business competition activities, selected preferred front-line operators to participate in Shandong Provincial "Revitalizing Shandong with Skills" vocational skill competition transportation industry highway charges and monitor professional skills competitions and achieved excellent results.

(IV) Labor outsourcing

Applicable Not applicable

X. Profit distribution or capital common reserves capitalizing pre-plan

(I) Cash dividend policy making, execution or adjustment

Applicable Not applicable

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

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

3. During the reporting period, the annual profit distribution scheme of the company in 2020 has been approved in the annual general meeting of 2020 held on June 29, 2021, and it is decided to distribute the cash dividend at 3.80 yuan (tax-included) per ten shares to all the shareholders with the base number of 4,811,165,857 shares, with the total dividends of 1,828,243,025.66 yuan (tax-included). On August 10, 2021, the company completed dividend distribution of 2020.

4. On July 30, 2020, the Company disclosed the "ROE Planning of Shandong Hi-Speed Co., Ltd. for the Next Five Years (2020-2024)". If conditions permit for cash dividend, the Company's annual profit distributed in cash in the next five years (2020-2024) shall not be less than 60% of the net profit attributable to the owner of the parent company in the consolidated statement realized in that year. After being audited by Shinewing Certified Public Accountants (Special Partnership), the net profit attributable to owners of the parent company after consolidation in 2021 is 3,052,287,782.41 yuan, where: the net profit achieved by the parent company is 1,875,797,195.32 yuan. The statutory reserves of 187,579,719.53 yuan was withdrawn at the ratio of 10% of the net profit achieved by the parent company, and the remaining undistributed profits was 1,688,217,475.79 yuan. The accumulated distributable profits of parent company in 2021 is CNY15,912,152,987.24. Based on the general capital of 4,811,165,857 shares on December 31, 2021, the company distributed cash dividend of 4.00 yuan (tax-included) per 10 shares to all the shareholders, with the total dividends of 1,924,466,342.80 yuan. The Company is not intended to convert reserves to share capital.

(II) Special description of cash dividend policy

Applicable Not applicable

Comply with the provisions of the articles of association or the requirements of the general meeting's resolution or not	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the dividend standard and ratio are clear	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether independent directors perform their duties and play their due roles	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests are fully protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

Applicable Not applicable

XI. Details and influence of the company's equity incentive plan, 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

Matter overview	Search Index
The company has granted 4,663,700 stock options to 34 incentive objects and the reserved grant date is March 30, 2021.	See the "Announcement of Shandong Hi-Speed Co., Ltd. on Granting Reserved Stock Options to Incentive Objects" (No. Pro 2021-021) disclosed by the company on the website of Shanghai Stock Exchange on March 31, 2021 for details.
The registration of the reserved stock grant of the company's stock option incentive plan is completed	See the "Announcement of Shandong Hi-Speed Co., Ltd. on Completion of Registration of Reversed Stock Grant of Stock Option Incentive Plan" (2021-034) disclosed by the company on the website of Shanghai Stock Exchange on May 31, 2021 for details.

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

Equity incentive

Applicable Not applicable

Other explanations

Applicable Not applicable

Employee stock ownership plan]

Applicable Not applicable

Other incentive measures

Applicable Not applicable

(III) Equity incentive granted to directors and senior managers during the reporting period.

Applicable Not applicable

(IV) About the establishment and implementation of the evaluation system and incentive mechanism for senior managers during the reporting period

Applicable Not applicable

During the reporting period, the results of operation assessment was implemented for senior managers. The appointment assessment and annual assessment are combined. The annual assessment includes net profit, personalized indicators, Party building, reform performance assessment, incentive and restrictive indicator assessment. The annual salary of senior managers is composed of basic annual salary, annual performance salary and term performance rewards. The annual performance salary, term performance rewards are linked up with assessment results, combined with the annual personal comprehensive assessment

and evaluation of senior managers, the gap is widened reasonably. The annual performance salary is delayed in payment. 80% of the annual performance salary is fulfilled in the current period after the annual performance assessment, and the remaining 20% is delayed in payment and is paid in the form of rolling during the term of office.

XII. Construction and implementation of the internal control system during the reporting period

Applicable Not applicable

During the reporting period, the company continued to perfect and refine the internal control system in accordance with the "Basic Norm on the Internal Control of the Enterprise" and its supporting guidelines and other internal control supervision requirements, combined with the characteristics of the industry and the company's actual operation, organized the top-down system revisions, sorted out the process of business units and systems of the company's headquarters and holding subsidiaries, added 33 systems such as the "Shandong Hi-Speed Co., Ltd.'s Compliance Management Measures", revised 113 systems such as the "Rules of Procedure of the Board of Directors", and continuously strengthened the supervision of key business nodes and high-risk areas to ensure the implementation and effective execution of various internal control systems.

In 2021, the company's internal control achieved effective results, providing a solid and powerful guarantee for the company's risk prevention and standardized operation. The company carried out internal control evaluation in accordance with the requirements of its internal control specification system and relevant regulations. On the base date of the internal control evaluation report, there were no major and important defects of internal control of financial reports and non-financial reports, realizing the reasonable guarantee of the company's legal business management, asset security, financial reports and authenticity and integrity of related information, improving operating efficiency and effect, promoting the enterprise to achieve internal control goals of development strategies.

Explanation of material defects in internal control during the reporting period

Applicable Not applicable

XIII. Management and control of the subsidiaries during the reporting period

Applicable Not applicable

The company has formulated the "Administrative Measures for Parent Company and Subsidiaries". In principle, the company manages the subsidiaries in the form of "combination of centralization and decentralization". "Centralization" means centralized power. Any matters that shall be decided and approved by the parent company must be strictly implemented. "Decentralization" means decentralized power. According to the business scale and classification of the subsidiaries, select directors, supervisors, and managers who represent the parent company's equity interest to exercise the voting power, fulfill the rights and obligations of the parent company's contributors, mainly focusing on decisions, supervision, and control of major matters in legal person governance, strategy, personnel, finance, investment, risk, brand, culture, internal control, audit, generally not participating directly in specific business operations.

XIV. Description of internal control audit report

Applicable Not applicable

Shinewing Certified Public Accountants (Special Partnership), as the company's internal control audit institution, issued an internal control audit report for the company, which was published on the website of Shanghai Stock Exchange www.sse.com.cn on March 31, 2022. Whether to disclose the internal control audit report: It is an internal control audit report Type of opinion: Standard clean opinion

XV. Rectification of self-inspection problems in the special action for governance of listed companies

None

XVI. Others

Applicable Not applicable

Section V Environmental and Social Responsibility

I. Environment 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 Co., Ltd.	Hanting District Sewage Treatment Plant	Chemical oxygen demand (COD)	Organized and continuous	Main water outlet	Class 1 Standard A ≤ 50 mg/L in Table 1, "Discharge Standard of Pollutants for Municipal Wastewater Treatment" Plant (GB18918-2002)	None
		Biochemical oxygen demand (BOD5)	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) (calculated by 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 ≤ 5 mg/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 ≤ 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 ≤ 1 mg/L in Table 1, "Discharge Standard of Pollutants for Municipal Wastewater Treatment"	None

				Plant (GB18918-2002)	
	Oils	Organized and continuous	Main water outlet	Class 1 Standard A≤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)	None
	Number of fecal coliforms (number/L)	Organized and continuous	Main water outlet	Class 1 Standard A 10 ³ in Table 1, "Discharge Standard of Pollutants for Municipal Wastewater Treatment "Plant (GB18918-2002)	None

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

In 2021, the accumulated emission of chemical oxygen demand (COD) was 122 tons, with the reduction rate of 96.09%; that of ammonia nitrogen (NH₃-N) was 1.35 tons, with the reduction rate of 99.351%; that of total phosphorus was 0.383 tons and that total nitrogen of 52.0 tons, all of which satisfied the standard requirements.

b. Exhaust emission

Name of Company or Subsidiary	Pollutant Discharging Item	Name of Major Pollutants	Discharging Way	Pollutant discharge standards executed	Excessive discharge
Shandong Hi-speed Environmental Technology Co., Ltd.	Hanting District Sewage Treatment Plant	Ammonia	Organized	Class 1 Standard 1.0 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

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

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

In 2021, Shandong Hi-Speed Environmental Protection Science and Technology Co., Ltd. disposed sludge in a timely manner, meeting the requirements of the local environmental protection supervisory authorities.

2. Construction and operation of pollution prevention and control facilities

Applicable Not applicable

a. Wastewater treatment

Shandong Hi-Speed Environmental Protection Technology Co., Ltd. is mainly responsible for treating municipal sewage of Hanting district. The current design treatment capacity is 25,000 m³/d. In 2021, the actual daily treatment capacity was 19,000 m³/d, and it covered a total area of 29.43 mu. 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. At the same time, apply for and obtain an administrative license certificate for environmental protection.

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.: 370703-2021-144-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

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

6. Administrative penalties for environmental problems during the reporting period

Applicable Not applicable

7. Other environmental information that shall be disclosed

Applicable Not applicable

(II) Explanation of environmental protection of companies other than key pollutant discharging enterprises

Applicable Not applicable

(III) Relevant information that is conducive to protecting the ecology, preventing pollution and fulfilling environmental responsibilities

Applicable Not applicable

For details, please refer to the "Shandong Hi-Speed Co., Ltd.'s Environment, Social and Governance Report" disclosed on the website of Shanghai Stock Exchange (www.sse.com.cn) by the company on March 31, 2022.

(IV) Measures taken to reduce its carbon emissions and effects during the reporting period

Applicable Not applicable

For details, please refer to the "Shandong Hi-Speed Co., Ltd.'s Environment, Social and Governance Report" disclosed on the website of Shanghai Stock Exchange (www.sse.com.cn) by the company on March 31, 2022.

II. Social responsibility work

Applicable Not applicable

For details of the company's social responsibility work, please refer to the "Environment, Society and Governance Report of Shandong Hi-Speed Co., Ltd." disclosed on the website of Shanghai Stock Exchange (www.sse.com.cn) on March 31, 2022.

III. The company consolidated and expanded the specific situation of poverty alleviation and rural revitalization

Applicable Not applicable

According to the unified deployment of Shandong Provincial Party Committee and Shandong Provincial Government, the company completed the fourth round of "First Secretary" targeted poverty alleviation work and continued to select the fifth round of "First Secretary" to carry out Party building and rural revitalization in 2021.

The first is to carry out joint creation and common construction, and give full play to the leading and guarantee roles of Party building. Sign the "Agreement for Joint Creation and Common Construction of Party Building" with the villages, take the joint creation and common construction of the Party building as a carrier, carry out the work of "joint discussion on Party building, resource sharing, joint solution to difficult

problems, joint creation of civilization, and joint holding of activities", guide villages needing help, implement the basic systems such as the "three meetings and Party class" and the theme Party day, consolidate the foundation of grass-roots organizations, and give full play to the role of grass-roots party organizations in the rural rejuvenation and the pioneer role of Party members.

The second is to perfect infrastructure and promote the construction of beautiful rural areas. Focus on the needs of mass production and living, invest 220,000 yuan in the construction of irrigation and water conservancy, promote farmers' incomes and rural economic development. Carry out village cleaning action with the theme of "Cleaning by Every Household to Welcome the Spring Festival", and solve the problem dirty, disorderly, and bad rural environment problems in a centralized manner. Coordinate to build a cultural fitness square for villages needing help with project funds, beautify and harden roads, improve the village appearance, and promote the construction of beautiful villages.

The third is to actively carry out practical activity of "I do practical things for the masses". Seize the opportunity of practical activities such as Party history learning and education and I do practical things for the masses to actively carry out the care work of the masses around the issues that are concerned by the masses. Carry out the activities of "learning Party history, disseminating the spirit, and Spring Buds helping study", actively coordinate Party history learning and education and provide children's books, more than 1,000 masks, more than 10 boxes of disinfection supplies for villages needing help, and actively promote the practical activity of "I do practical things for the masses".

The fourth is to increase hematopoietic function and resolutely prevent falling back into poverty. Give full play to the leading role of the industry, enhance the "hematopoietic" function of the villages needing help, and promote economic revenues to achieve rural revitalization. Organize the members of the "two committees" team to the advanced villages to learn experience in achieving prosperity, the first secretary to study and inspect the projects that can help achieve prosperity, coordinate the village needing help to set up village cooperatives based on the actual situations, transfer land of more than 200 mu in two stages, integrate resources, further promote the household contract responsibility system with remuneration linked to output, deepen the structural reform of agricultural supply side, promote the integrative development of the first, secondary and tertiary industries in rural areas, increase collective incomes and promote farmers to increase their incomes and become rich.

In February, 2021, the Company selected the "First Secretary" team in Mudan District of Heze City to be appraised as the national advanced collective for poverty alleviation, and it was the only team in Shandong province that won this honor.

Section VI Important Matters

I. Performance of commitments

(I) Commitments made by interested parties including the company's actual controllers, shareholders, affiliated parties, acquirers and the company in the reporting period or until the reporting period

√Applicable □Not applicable

Commitment Background	Commitment type	Commitment Party	Commitment Content	Commitment Date and Period	Is there a performance period	Is the commitment performed strictly
Commitments related to significant assets reorganization	Resolution of horizontal competition	Shandong Hi-Speed Group Co., Ltd.	<p>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 endeavor to coordinate with relevant administrative departments and quit such business opportunities. Except for the foregoing non-profitable projects with direct instructions, where relevant laws and regulations permit, Shandong Hi-Speed Group undertakes that Shandong Hi-Speed and its controlling subsidiaries enjoy the preemptive right to invest in relevant roads, bridges and operating projects. 4. Where regulatory agencies or Shandong Hi-Speed believe that other businesses owned by wholly-owned subsidiaries, controlling subsidiaries, or branches of Shandong Hi-Speed Group, or other companies over which Shandong Hi-Speed Group has actual control right form substantial competition with Shandong Hi-Speed, Shandong Hi-Speed Group undertakes to solve such problem in ways permitted by laws, regulations and CSRC (including but not limited to transfer, entrusted operation, entrusted management, rental, contracting, etc.), and offer Shandong Hi-Speed with the option to choose fair and reasonable solutions according to law. 5. During the period where it is a controlling shareholder of Shandong Hi-Speed, Shandong Hi-Speed Group will not damage the legislative rights and interests of Shandong Hi-Speed or other</p>	2016.9.22	Yes	Yes

			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 connected parties will try to avoid connected transactions with Shandong Hi-Speed; in respect of necessary and unavoidable connected transactions, such transactions shall be processed in the principles of fairness, justice and valuable compensation, transaction prices shall be determined at reasonable prices universally acknowledged by the market, and transaction approval procedures and information disclosure obligation shall be performed as stipulated by relevant laws, regulations and normative documents. 2. Shandong Hi-Speed Group guarantees to strictly abide by all relevant regulations developed by CSRC, Shanghai Stock Exchange and other normative documents, and Articles of Association and other 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 listed companies or other shareholders in the capacity of shareholder.	Made on November 15, 2010 and remain permanently valid	Yes	Yes
Other commitments	Profit Forecast and Compensation	Shandong Hi-Speed Group Co., Ltd.	<p>Where the actual accumulated net profit amount of Hubei Wujing Freeway 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 "Assessment Reports", Shandong Hi-Speed Group would compensate the company, except for circumstances caused by force majeure or major changes to national toll road laws and policies. The compensation amount shall be 60% of the balance between the actual accumulated net profit amount of Wujing Freeway from 2018 to 2020 and the accumulated net profit amount of the three fiscal years as calculated in the "Assessment Reports". Hi-Speed Group will make payment within 30 days from the date when the financial statement of 2020 of Shandong Hi-Speed is reviewed and approved by the general meeting.</p> <p>In 2020, in view of the substantial impact of COVID-19 outbreak, free toll policy and relevant policies issued by the central government and Hubei Province to control the epidemic and promote the resumption of work and production on toll service of Wujing, reviewed and approved by the general</p>	2018.7.31	Yes	Yes

			<p>meeting of the company, the following "Supplementary Agreement on Profit Compensation Agreement for Equity Transfer of Hubei Wujing Freeway Development Co., Ltd." was made by and between the company and Shandong Hi-Speed Group Co., Ltd.: after the estimated reduction of toll dues by CNY 28.4902 million according to existing policies in 2020 and 2021 when COVID-19 has the most serious impact, resulting in a decrease in net profit of CNY 17.4596 million, if the accumulated net profit actually realized by the target company in the 4-year period after completion of this transaction (including the year of this transaction, excluding 2020, that is, in 2018, 2019 and 2021) did not reach the accumulated net profit (CNY 999.4424 million) of the three fiscal years calculated according to the "Assessment Reports" (net of the impact of expected reduction of toll dues by CNY 28.4902 million according to the existing policy in 2021, resulting in reduction of net profit by CNY 17.4596 million, the same below), Party A (SDHS) will make compensation to Party B (company), except in case of force majeure or any significant change in national toll road laws and policies.</p>			
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(II) If there is a profit forecast for the Company's assets or projects and the reporting period is still in the profit forecast period, then the Company shall explain whether the assets or projects have reached the original profit forecast and the reason.

Reached Not reached N/A

In June 2018, upon the deliberation and approval of the 20th meeting of the 5th board of directors and the first extraordinary general meeting of the company in 2018, the company acquired 60% equity of Hubei Wujing Freeway Development Co., Ltd. (hereinafter referred to as "Wujing" or "target company" or "target enterprise") held by the company's controlling shareholder, Hi-speed Group, with 2.766 billion yuan. The company has included it in the scope of consolidated financial statements since November 1, 2018. For details, please refer to the "Announcement on Acquisition of 60% Equity of Hubei Wujing Freeway Development Co., Ltd. and Affiliate Transactions" (Announcement No.: L2018-028) disclosed by the company on the website of Shanghai Stock Exchange (www.sse.com.cn).

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

(1) In 2018, Wujing Company realized a profit of 350.8141 million yuan, completing 36.52% of the performance commitment;

(2) In 2019, Wujing Company realized a net profit of 315.631 million yuan, cumulatively completing 69.38% of the performance commitment;

(3) Affected by the COVID-19 and free policy of toll roads, Wujing Company realized a net profit of 65.6456 million yuan in 2020, cumulatively completing 76.22% of the performance commitment.

On March 29, 2021, the Company held the 19th Session of the 6th Board of Directors and the 7th Session of the 6th Board of Supervisors, which has deliberated and resolved the Proposal on Adjusting the Performance Commitment Period of Subsidiaries and Adding Performance Commitment. In view of relevant policies issued by the central government and Hubei Province to control the epidemic and promote the resumption of work and production, as well as the substantial impact on toll service of Wujing, in order to promote the sustainable development of Wujing and safeguard the interests of the listed company and shareholders, the following "Supplementary Agreement on Profit Compensation Agreement for Equity Transfer of Hubei Wujing Freeway Development Co., Ltd." (hereinafter referred to as the "Supplementary Agreement") was made by and between the company and SDHS: after the estimated reduction of toll dues by CNY 28.4902 million according to existing policies in 2020 and 2021 when COVID-19 has the most serious impact, resulting in a decrease in net profit of CNY 17.4596 million, if the accumulated net profit actually realized by the target enterprise in the 4-year period after completion of this transaction (including the year of this transaction, excluding 2020, that is, in 2018, 2019 and 2021) did not reach the accumulated net profit (CNY 999.4424 million) of the three fiscal years calculated according to the "Assessment Reports" (net of the impact of expected reduction of toll dues by CNY 28.4902 million according to the existing policy in 2021, resulting in reduction of net profit by CNY 17.4596 million, the same below), Party A (SDHS) will make compensation to Party B (company), except in case of force majeure or any significant change in national toll road laws and policies. Independent directors expressed their independent opinions of consent to this adjustment. The adjustment and additional commitments were reviewed and approved by the company's 2020 general meeting. For details, please refer to the "Announcement of Shandong Hi-Speed Co., Ltd. on the Adjustment of the Performance Commitment Period of Subsidiaries and Additional Performance Commitment" disclosed by the company on March 31, 2021 on the website of Shanghai Stock Exchange (www.sse.com.cn) on March 31, 2021, with an announcement number: L 2021-019 and the "Announcement on the Resolution of Shandong Hi-Speed Co., Ltd. at 2020 Annual General Meeting" disclosed on June 30, 2021, with an announced number: L 2021-040.

In 2021, Wujing Company realized a net profit of 369.41 million yuan, cumulatively completing 103.64% of the performance commitment.

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

Applicable Not applicable

II. Non-operating funds occupied by controlling shareholders and other related parties during the reporting period

Applicable Not applicable

III. Violation of guarantees

Applicable Not applicable

IV. Explanations of the company's board of directors on "modified auditor's report" issued by the accounting firm

Applicable Not applicable

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

Applicable Not applicable

On December 7, 2018, the Ministry of Finance issued the "Notice on Revising and Printing the <Accounting Standard for Business Enterprises No. 21 – Leasing>", which was implemented by the company from January 1, 2020.

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

Applicable Not applicable

(III) Communications with the Former Accountant Firm

Applicable Not applicable

(IV) Others

Applicable Not applicable

VI. Appointment and Dismissal of Accountant Firms

Unit: Yuan; Currency: CNY

	Current appointment
Name of domestic accountant firm	Shinewing Certified Public Accountants (Special Partnership)
Remuneration of domestic accountant firm	678,900
Audit term of domestic accountant firm	6

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

Explanation of appointment and dismissal of accountant firms

Applicable Not applicable

On March 29, 2021, the 19th meeting of the 6th Board of Directors of the company reviewed and approved the "Proposal on Further Employment of ShineWing Certified Public Accountants (Special General Partnership) as the Domestic Audit Agency for 2021", and the meeting agreed the further employment of ShineWing Certified Public Accountants (Special General Partnership) as the domestic audit agency for 2021, and submitted the proposal to the general meeting for approval.

On June 29, 2021, the general meeting of 2020 passed the "Proposal on Further Employment of ShineWing Certified Public Accountants (Special General Partnership) as the Domestic Audit Agency for 2021", and agreed the further employment of ShineWing Certified Public Accountants (Special General Partnership) as the domestic audit agency for 2021.

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

Applicable Not applicable

VII. Risks of delisting

(I) Reasons for the warning of delisting risk

Applicable Not applicable

(II) Intended countermeasures

Applicable Not applicable

(III) Situations of and reasons for delisting

Applicable Not applicable

VIII. Matters relating to bankruptcy reorganization

Applicable Not applicable

IX. Material litigation and arbitration

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

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

Applicable Not applicable

Overview and type	Search Index
Changying Jincheng submitted an application for arbitration to China International Economic and Trade Arbitration Commission, requiring Shenzhen Talents Housing Group Co., Ltd. to pay the equity transfer fund principal of 2 billion yuan and interests, liquidated damages for overdue payment and other relevant expenses that should be paid but not paid under the "Regarding Equity Transfer Agreement on Evergrande Real Estate Group Co., Ltd.". Changying Jincheng received an arbitration acceptance notice from China International Economic and Trade Arbitration Commission on February 23, 2022.	http://static.sse.com.cn/disclosure/listedinfo/announcement/c/new/2022-02-25/600350_20220225_2_bnVfszB2.pdf http://static.sse.com.cn/disclosure/listedinfo/announcement/c/new/2022-02-25/600350_20220225_2_bnVfszB2.pdf

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

Applicable Not applicable

Unit: yuan Currency: CNY

Within the reporting period									
Prosecuting Party (Applicant)	Responding Party (Respondent)	Party Bearing Joint and Several Liabilities	Type of Litigation/Arbitration	Basic profile of litigation (arbitration)	Amount of litigation (arbitration)	Whether such litigation (arbitration) has formed anticipation liabilities and amounts	Progress of litigation (arbitration)	Outcome of litigation (arbitration) and influence from such outcome	Execution of judgment of litigation (arbitration)
Shandong Hi-Speed (Shenzhen)	Shenzhen Fengchuang Trade Co.,	Shenzhen Haimin Industrial	Civil action	Shenzhen Company took a legal	68,035.68	No	Mediation	Has been settled by mediation.	The parties concerned failed to perform the mediation agreement as

Investment Co., Ltd.	Ltd., Shenzhen Litianjun Supply Chain Co., Ltd., and Shenzhen Zhongmanli Trade Co. Ltd.	Co., Ltd., Wu Ying, Shenzhen Kenxin Group Co., Ltd.	s	action to Shandong Province Higher People's Court as it failed to recover multiple receivables when it conducted trade cooperation with Shenzhen Kenxin Group Co., Ltd. and its ownership units of Shenzhen Fengchuang Trade Co., Ltd., Shenzhen Litianjun Supply Chain Co., Ltd., and Shenzhen Zhongmanli Trade Co. Ltd.			on has been reached, and a Paper of Civil Mediation has been received.	The parties concerned should repay all the debts by December 31, 2018.	scheduled. Shenzhen Company has applied for compulsory execution to Shandong Province Higher People's Court. In November 2019, the request of opposition to execution made by persons not involved in the case Shandong Province Higher People's Court was rejected; in early January 2020, the appeal for opposition to execution made by persons not involved in the case Shandong Province Higher People's Court was officially accepted. Of which, Li Tianjun's Case was heard in the first instance on May 28, 2020; in mid-June 2020, the Company received a civil judgment of the first instance, ruling to reject the outsider's claim; on June 28, received an appeal from the outsider; after the case was transferred to the Supreme People's Court, the case was filed in the second instance on October 23, 2020; on January 25, 2021, the Company received a notice of responding to the second instance and a court summons. After the case was heard on April 7, 2021, the company received the civil judgment of the second instance in early June 2021, ruled that the appeal was rejected and the original judgment was upheld. The Supreme Court announced the judgment of the second instance to the third party for 60 days, and transferred the case to Shandong Provincial High People's Court. In December 2021, the application for resumption of execution was submitted to Shandong Provincial High People's Court, and relevant court
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									documents have not yet been received. The Fengchuang and Zhongmanli Cases were heard in the first instance on July 23, 2020; in late September 2020, the Company received a civil judgment of the first instance, ruling to reject the outsider's claim, and received an appeal petition from the outsider in early October 2020; after the announcement of judgment result for a period of 60 days for the third party expired in early January 2021, both cases were handed over to the Supreme People's Court through the internal circulation procedure of the court. At the end of May 2021, the notice of appearance of the second instance was received. In early June, the Supreme People's Court held a 60-day trial announcement of the third party. After the trial on August 12, the civil judgment of the second instance of the two cases was received in mid-November, ruling to reject the appeal and affirming the original judgment. The Supreme People's Court transferred the cases to Shandong Provincial High People's Court. In December 2021, the application for resumption of execution for the two cases was submitted to Shandong Provincial High People's Court, and relevant court documents have not yet been received.
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(III) Other instructions

Applicable Not applicable

X. Alleged breach of violation of laws and rules by, and punishment and rectification received by the listed company and its directors, supervisors, senior managers, controlling shareholders, and actual controllers and rectification status

Applicable Not applicable

XI. Explanations of integrity of the company, its controlling shareholders and actual controllers

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.

XII. Material affiliate transactions**(I) Affiliate transactions related to day-to-day operations****1. Events disclosed in interim announcements without subsequent development or changes during implementation**

√Applicable □Not applicable

Matter overview	Search Index
<p>On November 26, 2021, the 28th meeting of the 6th board of directors of the company deliberated and approved the "Proposal on Signing ETC Service Agreement", and agreed that the company signed the "ETC Service Agreement" with Shandong High-Speed Xinlian Technology Co., Ltd. (hereinafter referred to as "Xinlian Company"), with a period of validity from January 1, 2021 to December 31, 2023. By referring to the charging standard and level of similar services in the same industry, the company pays service charges of 0.9% of the payment by a share of the takings of the expressway ETC toll in Shandong Province to Xinlian Company. The specific amount of payment by a share of the takings shall be subject to the statements of payment by a share of the takings of toll of the competent department of Shandong Provincial Transportation or other competent authorities. The service charge in 2021 is expected to be about 40 million yuan, and the three-year service charge is about 140 million yuan.</p>	<p>For details, please refer to the "Shandong High-Speed Co., Ltd.'s Announcement on Signing the ETC Service Agreement and Daily Affiliate Transaction" disclosed by the company on the website of Shanghai Stock Exchange on November 27, 2021, 2021, with an Announcement No.: L 2021-063.</p>
<p>On December 27, 2021, the 29th meeting of the 6th board of directors of the company deliberated and approved the "Proposal on Signing the <Entrusted Management Agreement>", and agreed that the company signed the "Entrusted Management Agreement" with project companies of Shandong Hi-Speed Group Co., Ltd. (hereinafter referred to as "Hi-Speed Group"), the company's controlling shareholder, and its holding subsidiary Shandong Hi-Speed Highway Development Co., Ltd. (hereinafter referred to as "Highway Development Company") and Shandong Hi-Speed Construction Management Group Co., Ltd. (hereinafter referred to as "Construction Management Group") to respectively entrust the management of Beijing-Taibei Expressway Taian-Zaozhuang Section, Qingdao-Yinchuan Expressway Qihe-Xiajin Section, Weifang-Rizhao Expressway Connecting Line (G1815), Yantai-Haiyang Expressway, Heze-Guanzhuang Expressway, North Line of Qingdao-Yinchuan Expressway Jinan Belt Freeway, Zaozhuang-Linyi Expressway, Juancheng-Heze Expressway, Longkou-Qingdao Expressway, Weifang-Rizhao Expressway, Gaoguang Expressway, Taidong Expressway, Linzao to Zaomu Expressway, Weifang-Rizhao Expressway Connecting Line (S16) of the above entities. The custody fees were 275.7 million yuan in 2021 and 313.8 million yuan in 2022; 145.7 million yuan for Highway Development Company in 2021 and 153.4 million yuan in 2022; 217.5 million yuan for Construction Management Group in 2021 and 228.9 million yuan in 2022. The custody period starts from January 1, 2021 to December 31, 2022.</p>	<p>For details, please refer to the "Shandong High-Speed Co., Ltd.'s Announcement on Signing the Entrusted Management Agreement and Daily Affiliate Transaction" disclosed by the company on the website of Shanghai Stock Exchange on December 29, 2021, 2021, with an Announcement No.: L 2021-070.</p>

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

□ Applicable √ Not applicable

3. Matters not disclosed in interim announcements

√Applicable □Not applicable

Unit: yuan Currency: CNY

Related party	Relationship	Related transaction types	Content of related transactions	Connected transaction pricing principles	Connected transaction amount
Shandong High-Speed Bridge Construction Group Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Project Cooperation Framework Agreement on Expansion Project for G104 Jinglan Line Jinan Yellow River Highway Bridge (Zero Interchange Section)	Public bidding	6,300.00
Shandong High-Speed Bridge Construction Group Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Contract for Section III of Dezhou, Pingyuan, and Yucheng Service Area Road and Other Works Construction of Beijing-Taiwan Expressway Dezhou (Shandong Hebei junction)-Qihe Section Reconstruction and Extension Project	Public bidding	4,857.91
Shandong Hi-Speed Road & Bridge Maintenance Group Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Supplementary Contract Agreement for Design and Construction General Contracting of Special Maintenance Project of Shandong Hi-Speed Co., Ltd. in 2021	Public bidding	14,855.65
Shandong Hi-Speed Road & Bridge Maintenance Group Co., Ltd.	Controlling subsidiary of the parent company	Purchase goods	Procurement Contract for Guardrail Materials of Special Maintenance Project of Wujing Expressway in 2021	Public bidding	7,254.01
Shandong Luqiao Group Co., Ltd.	Controlling subsidiary of the parent company	Sale of goods	Rental Supply Contract for Mobile Steel Guardrails of Reconstruction and Expansion Project for Beijing-Taibe Expressway Jinan-Taian Section	Public bidding	3,568.00
Shandong Luqiao Group Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Supplementary Agreement for Costs of West of Xiaoxujia of Main Work of Reconstruction and Expansion Project for Jinan-Qingdao Expressway	Public bidding	187,760.79
Shandong High-Speed Engineering Project Management Co., Ltd.	Group's brother companies	Receive Labor service	Contract for Main Project Construction Supervision Section I of Beijing-Taiwan Expressway Ji'nan-Tai'an Section Reconstruction and Extension Project (JTJTZJB-1)	Public bidding	4,913.35
Shandong Luqiao Group Co., Ltd.	Controlling subsidiary of the parent	Receive Labor	Contract for Main Project Construction Section I of Beijing-Taiwan Expressway	Public bidding	367,337.58

	company	service	Ji'nan-Tai'an Section Reconstruction and Extension Project (JTJTSG-1)		
Shandong Luqiao Group Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Contract Agreement for Section I of House-building Project Construction of Reconstruction and Expansion Project for Beijing-Taibe Expressway Jinan-Taian Section	Public bidding	14,085.96
Shandong Hi-Speed Road & Bridge Maintenance Group Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Contract for Section I of Dezhou, Pingyuan, and Yucheng Service Area Road and Other Works Construction of Beijing-Taiwan Expressway Dezhou (Shandong Hebei junction)-Qihe Section Reconstruction and Extension Project	Public bidding	3,629.31
Shandong Luqiao Group Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Contract for Section II of Dezhou, Pingyuan, and Yucheng Service Area Road and Other Works Construction of Beijing-Taiwan Expressway Dezhou (Shandong Hebei junction)-Qihe Section Reconstruction and Extension Project	Public bidding	4,382.66
Shandong Hi-Speed Road & Bridge Maintenance Group Co., Ltd.	Controlling subsidiary of the parent company	Receive Labor service	Supplementary Contract Agreement for Design and Construction General Contracting of Special Maintenance Project of Shandong Hi-Speed Co., Ltd. in 2021	Public bidding	13,339.83
Total				/	632,285.05
Details of large sales returns		None			
Explanations of connected transactions		The foregoing connected transactions are processed in the public bidding invitation, and connected parties win the bidding therein, having no inevitability or continuity. The above-mentioned related-party transactions have no influence on the independence of the company.			

(II) Affiliate transactions in respect of acquisition and sales of assets or equity Interest

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

√Applicable □Not applicable

Matter overview	Search Index
On October 13, 2021, the 25th meeting of the 6th board of directors of the company (extraordinary) deliberated and approved the "Proposal on the Acquisition of 38.93% Equity of Qilu Expressway Co., Ltd.", and agreed that the company transferred 778.5 million domestic shares of Qilu Expressway Co., Ltd.	For details, please refer to the "Announcement of Shandong Hi-Speed Co., Ltd. on Acquisition of 38.93% Equity of Qilu Expressway Co., Ltd. and Affiliate Transactions"

<p>(hereinafter referred to as "Qilu Expressway") held by Shandong Hi-Speed Group Co., Ltd. (hereinafter referred to as "Hi-Speed Group") in the form of non-public agreement, with an evaluation value of 1,694,574,800 yuan. After deducting the dividend payout of 140,130,000 yuan distributed by Qilu Expressway to Hi-Speed Group on August 30, 2021, which has an impact on the share value, the total investment was 1,554,444,800 yuan.</p> <p>On December 23, 2021, the company received China Securities Registration and Clearing Co., Ltd.'s "Transfer Registration Confirmation" about Qilu Expressway's (1576.HK) 778,500,000 shares, completing the transfer registration of shares of the acquisition target.</p>	<p>disclosed by the company on the website of Shanghai Stock Exchange on October 14, 2021, with an Announcement No. L 2021-053 and the "Announcement of Shandong Hi-Speed Co., Ltd. on Acquisition of 38.93% Equity of Qilu Expressway Co., Ltd. and Progress of Affiliate Transactions", with an Announcement No. L 2021-068.</p>
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2. Events disclosed in interim announcements with subsequent development or changes during implementation

Applicable Not applicable

3. Matters not disclosed in interim announcements

Applicable Not applicable

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

Applicable Not applicable

In June 2018, upon the deliberation and approval of the 20th meeting of the 5th board of directors and the first extraordinary general meeting of the company in 2018, the company acquired 60% equity of Hubei Wujing Freeway Development Co., Ltd. (hereinafter referred to as "Wujing" or "target company" or "target enterprise") held by the company's controlling shareholder, Hi-speed Group, with 2.766 billion yuan. The company has included it in the scope of consolidated financial statements since November 1, 2018. For details, please refer to the "Announcement on Acquisition of 60% Equity of Hubei Wujing Freeway Development Co., Ltd. and Affiliate Transactions" (Announcement No.: L2018-028) disclosed by the company on the website of Shanghai Stock Exchange (www.sse.com.cn).

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

Completion of the performance commitment:

(1) In 2018, Wujing Company realized a profit of 350.8141 million yuan, completing 36.52% of the performance commitment;

(2) In 2019, Wujing Company realized a net profit of 315.631 million yuan, cumulatively completing 69.38% of the performance commitment;

(3) Affected by the COVID-19 and free policy of toll roads, Wujing Company realized a net profit of 65.6456 million yuan in 2020, cumulatively completing 76.22% of the performance commitment.

On March 29, 2021, the Company held the 19th Session of the 6th Board of Directors and the 7th Session of the 6th Board of Supervisors, which has deliberated and resolved the Proposal on Adjusting the Performance Commitment Period of Subsidiaries and Adding Performance Commitment. In view of relevant policies issued by the central government and Hubei Province to control the epidemic and promote the resumption of work and production, as well as the substantial impact on toll service of Wujing, in order to promote the sustainable development of Wujing and safeguard the interests of the listed company and shareholders, the following "Supplementary Agreement on Profit Compensation Agreement for Equity Transfer of Hubei Wujing Freeway Development Co., Ltd." (hereinafter referred to as the "Supplementary Agreement") was made by and between the company and SDHS: after the estimated reduction of toll dues by CNY 28.4902 million according to existing policies in 2020 and 2021 when COVID-19 has the most serious

impact, resulting in a decrease in net profit of CNY 17.4596 million, if the accumulated net profit actually realized by the target enterprise in the 4-year period after completion of this transaction (including the year of this transaction, excluding 2020, that is, in 2018, 2019 and 2021) did not reach the accumulated net profit (CNY 999.4424 million) of the three fiscal years calculated according to the "Assessment Reports" (net of the impact of expected reduction of toll dues by CNY 28.4902 million according to the existing policy in 2021, resulting in reduction of net profit by CNY 17.4596 million, the same below), Party A (SDHS) will make compensation to Party B (company), except in case of force majeure or any significant change in national toll road laws and policies. Independent directors expressed their independent opinions of consent to this adjustment. The adjustment and additional commitments were reviewed and approved by the company's 2020 general meeting. For details, please refer to the "Announcement of Shandong Hi-Speed Co., Ltd. on the Adjustment of the Performance Commitment Period of Subsidiaries and Additional Performance Commitment" disclosed by the company on March 31, 2021 on the website of Shanghai Stock Exchange (www.sse.com.cn) on March 31, 2021, with an announcement number: L 2021-019 and the "Announcement on the Resolution of Shandong Hi-Speed Co., Ltd. at 2020 Annual General Meeting" disclosed on June 30, 2021, with an announced number: L 2021-040.

In 2021, Wujing Company realized a net profit of 369.41 million yuan, cumulatively completing 103.64% of the performance commitment.

(III) Material affiliate transactions relating to joint external investment

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

√Applicable □Not applicable

Matter overview	Search Index
<p>On December 13, 2019, the 43rd meeting (extraordinary) of the 5th Board of Directors of the company deliberated and approved the "Proposal for on Acquiring 80% Equity of Luzhou Southeast Expressway Development Co., Ltd.", and agreed that the company, together with Sichuan Company, a wholly-owned subsidiary of Hi-Speed Group, acquired 100% equity of Luyu 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.</p> <p>On December 31, 2019, the company signed Agreement on Transfer of Share of Luzhou Southeast Expressway Development Co., Ltd. with Bosideng Co., Ltd., Shandong Kangbo Industrial Co., Ltd. and SDHS Sichuan Industrial Development Co., Ltd. with condition for entry-into-force. On January 13, 2021, Luyu Company completed the industrial and commercial change registration and was included in consolidated statements of the company.</p>	<p>See the "Announcement of Shandong Hi-Speed on Acquisition of 80% Equity of Luzhou Southeast Expressway Development Co., Ltd. and Affiliate Transactions" (No.: L2019-056) disclosed by the company on December 14, 2019 on the website of Shanghai Stock Exchange for details. For details, please refer to the L2021-001 "Announcement of Shandong Hi-Speed on Acquisition of 80% Equity in Luzhou Southeast Expressway Development Co., Ltd. and Progress of Affiliate Transactions".</p>
<p>On March 25, 2021, the 20th meeting (interim) of the Sixth Board of Directors of the company reviewed and approved the Proposal for Establishment of Project Company by Subsidiary and Related Party, agreed that Railway Construction Equipment Company (a subsidiary of the company) establishes a project company together with the related party Luqiao Group and other partners according to the contribution of CNY118,690,000 during bidding, and authorized the management and the personnel authorized by the management to deal with all matters related to the investment of the Project, including but not limited to: performing obligations of capital contribution in accordance with relevant agreements and articles of association of the project company.</p>	<p>See the Related-party Transaction Announcement of Shandong Hi-Speed Co., Ltd. on Establishment of Project Company by Subsidiary and Related Party (No.: L2021-014) on March 29, 2021 for details.</p>
<p>On May 18, 2021, the 22nd meeting (interim) of the</p>	<p>See the Announcement of Shandong</p>

<p>Sixth Board of Directors of the company reviewed and approved the Proposal for Joint Initiation of Establishment of Ji'nan Lugao Construction Investment Partnership (Limited Partnership), and agreed that Shandong Hi-Speed Investment Development Co., Ltd. (a wholly-owned subsidiary of the company, hereinafter referred to as "Investment Development Company") initiates the establishment of Ji'nan Lugao Construction Investment Partnership (Limited Partnership) (hereinafter referred to as "Lugao Investment"), jointly with Shandong Hi-Speed Road & Bridge Investment Development Co., Ltd. (hereinafter referred to as "Road & Bridge Investment") and Yantai Shangao Hongxin Investment Center (hereinafter referred to as "Shangao Hongxin"). The overall scale of Lugao Investment is CNY590,300,000, among which, Investment Development Company contributes CNY295,000,000 and acts as a limited partner; Shangao Hongxin contributes CNY295,000,000 and acts as a limited partner; Road & Bridge Investment contributes CNY300,000 and acts as a general partner.</p>	<p>Hi-Speed Co., Ltd. on Joint Initiation of Establishment of Ji'nan Lugao Construction Investment Partnership (Limited Partnership) and Related-party Transaction (No.: L2021-031) on May 20, 2021 for details.</p>
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2. Events disclosed in interim announcements with subsequent development or changes during implementation

Applicable Not applicable

On March 25, 2021, the 20th meeting (interim) of the Sixth Board of Directors of the company reviewed and approved the Proposal for Participation of Subsidiary in Bidding in Building Ji'nan-Zaozhuang Railway Civil Engineering, and agreed that Shandong High-Speed Railway Construction Equipment Co., Ltd. (a subsidiary of the company, hereinafter referred to as "Railway Construction Equipment Company") and related party Shandong Luqiao Group Co., Ltd. (hereinafter referred to as "Luqiao Group") as well as other members jointly constitute a union to participate in the bidding of Ji'nan-Zaozhuang Railway Project with a combination of investment and construction. After winning the bid, Railway Construction Equipment Company shall sign the construction contract and the capital contribution agreement in accordance with the tender announcement and related documents, and fulfill the obligation of capital contribution (amount: CNY130,430,000). As for final construction quantities and contribution amount, the construction agreement and capital contribution agreement signed shall prevail. See the Announcement of Shandong Hi-Speed Co., Ltd. on Participation of Subsidiary in Building Jinan-Zaozhuang Railway Civil Engineering and Related-party Transaction (No.: L2021-013) on March 29, 2021 for details.

Due to design adjustment, the tender has not started.

3. Matters not disclosed in interim announcements

Applicable Not applicable

(IV) Creditor's rights and debts between the company and related parties

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

Applicable Not applicable

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

Applicable Not applicable

3. Matters not disclosed in interim announcements

Applicable Not applicable

(V) Financial businesses between the company and financial companies related to the company, and between holding financial companies of the company and related parties

Applicable Not applicable

1. Deposit business

Applicable Not applicable

2. Loan transaction

Applicable Not applicable

3. Credit business or other financial businesses

Applicable Not applicable

4. Other notes

Applicable Not applicable

(VI) Others

Applicable Not applicable

XIII. Material contracts and performance thereof

(I) Trusteeship, contracting, leasing matters

1. Custody conditions

Applicable Not applicable

Description

During the reporting period, the trusteeship of the company has been disclosed in the section of "affiliate transactions relating to daily operations"

2. Contracting

Applicable Not applicable

3. Rental

Applicable Not applicable

(II) Guarantees

√Applicable □Not applicable

Unit: Yuan; Currency: CNY

External guarantees of the company (excluding guarantees to subsidiaries)														
Guarantor	Relation between guarantor and listed company	Guaranteed party	Amount of guarantee	Date of guarantee occurrence (signing date of agreement)	Starting date of guarantee	Ending date of guarantee	Category of guarantee	Collateral (if any)	Whether the guarantee has been fulfilled or not	Whether the guarantee is overdue	Guarantee amount overdue	Counter guarantee	Whether guarantee is for affiliates	Relationship
Shandong Hi-Speed Company Limited	The company	Shandong General Aviation Service Co., Ltd	45,080,000.00	August 26, 2021	August 26, 2021	September 7, 2029	Joint liability guarantee	None	No	No	0	None	No	Shareholding subsidiaries
Guarantee amount sum during the report period (excluding guarantee to subsidiaries)						45,080,000.00								
Guarantee amount balance at the end of the report period (A) (excluding guarantee to subsidiaries)						44,417,058.82								
Guarantee of the company to its subsidiaries or its subsidiaries to other ones														
Guarantee amount sum to subsidiaries during the report period						2,483,642,900.00								
Guarantee amount balance at the end of the report period (B) (excluding guarantee to subsidiaries)						3,443,642,900.00								
External guarantees of the company (excluding guarantees to subsidiaries)														
Total amount of security (A + B)						3,488,059,958.82								
Proportion of total amount of guarantee to the company's net assets (%)						9.38								
Including:														
The amount of guarantee provided for shareholders, actual controllers and their affiliated parties (C)						0								
The amount of debt guarantee provided directly or indirectly for the guaranteed object with the ratio of liabilities to assets exceeding 70% (D)						2,528,059,958.82								
The amount of the total amount of guarantee exceeding 50% of the net assets (E)						0								
Total amount of the above three guarantee amounts (C + D + E)						2,528,059,958.82								
Explanations of possible joint and several liability for satisfaction for unmatched guarantee						None								
Explanations of guarantee						(1) The 18th meeting of the 5th Board of Directors of the company held on March 30, 2018 reviewed and approved the "Proposal for Making up the Difference for the Shares of the Proposed Limited Partnership", and agreed to bear the obligations to repurchase and make up the difference for the expected investment revenue and								

actual capital contribution during the investment period for No. 21 Tongda collective fund trust plan of Hwabao Trust, the limited partnership of proposed Jinan Changying Jintai No. 1 Partnership (hereinafter referred to as "No. 21 Tongda") and No. 22 Tongda collective fund trust plan of Hwabao Trust, the limited partnership of Jinan Changying Jintai No. 2 Partnership (hereinafter referred to as "No. 22 Tongda"), with a total amount of not exceeding 6.75 billion yuan. The event has been reviewed and approved at the general meeting of 2017 held on April 20, 2018. The detailed information is available in the "Announcement on Establishing Limited Partnerships for Making up Balances disclosed on March 31, 2018" (Announcement No.: Lin 2018-012). As of December 31, 2021, the company has not provided guarantee.

(2) On August 14, 2018, the 24th meeting (extraordinary) of the 5th Board of Directors of the company reviewed and approved the "Proposal to Provide 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 Sub-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 date when the liability performance period as agreed in the master obligation contract expires. The detailed information is available in the Announcement of Shandong Hi-Speed on Providing Loan Guarantee to Its Wholly-owned Subsidiary of Shandong Hi-Speed Henan Development Co., Ltd disclosed on August 15, 2018 (Announcement No.:Lin 2018-042). The company had signed the Guarantee Contract on August 24, 2018. As of December 31, 2021, the guarantee balance was 345 million yuan.

(3) The 22nd meeting of the 3rd board of directors of the company on August 22, 2008 passed the "Proposal on the Acquisition of 100% Equity of Shandong Hi-Speed Group Henan Xuyu Highway Co., Ltd.", and agreed that the company acquired 100% equity of Shandong Hi-Speed Group Henan Xuyu Highway Co., Ltd. from Shandong Property Rights Exchange Center at a listed price of 528 million yuan. The event had been reviewed and approved at the second extraordinary shareholder's meeting of 2008 held on September 9, 2008. In September 2008, the company and Shandong High-speed Group signed the Ownership Transaction Contract. Article 5 of the contract stipulated that "the guarantee provided by the transferor for the long-term loan of the underlying enterprise shall be undertaken by the transferee along with the transfer of property rights; and the amount of guarantee undertaken by the transferee shall not exceed the actual amount of 950 million yuan". On August 7, 2020, the company and China Construction Bank Corporation Xuchang Branch signed the Maximum Principal Guarantee Contract to provide guarantees of no more than CNY720 million for the long-term loans of Xuyu Company in China Construction Bank Xuchang Branch. Part of the loan had already been repaid, so the actual amount of guarantee was CNY489 million. As of December 31, 2021, the guarantee amount is 391,000,000 yuan.

(4) On December 13, 2019, the 43rd meeting (extraordinary) of the 5th 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 Shandong Hi-Speed Sichuan Industrial Development Co., Ltd. (hereinafter referred to as "Sichuan Company"), a wholly-owned subsidiary of Hi-Speed Group, 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. The event has been reviewed and approved at the 3th extraordinary general meeting of 2019 held on December 30, 2019. According to the shareholding ratio, the company shall bear the guarantee of 2.906 billion yuan. As of December 31, 2021, the company has not signed a guarantee contract with financial institutions.

(5) The 2nd meeting (extraordinary) of the 6th board of directors of the company on May 27, 2020 reviewed and passed the proposal on the "Acquisition of 51% Equity of Shandong High-Speed Rail Transit Group Co., Ltd.". The event had been reviewed and approved at the second extraordinary shareholder's meeting of 2020 held on June

13, 2020. At the time of equity acquisition, Shandong Hi-Speed Rail Transit Group Co., Ltd. had a guarantee for a loan of CNY 263 million from the Minsheng Bank for Shandong Hi-Speed Lutie Industry Development Co., Ltd. (former "Shandong Ruitong Logistics Co., Ltd."), its holding subsidiary: on May 11, 2020, the tenth meeting of the Board of Directors of Shandong Hi-speed Rail Transit Group Co., Ltd. reviewed and approved the "Proposal on Providing Loan Guarantee for Lutie Industry", agreeing to provide guarantee for Lutie Industry's application for a loan of CNY 263 million from Jinan Branch of China Minsheng Bank Co., Ltd. by joint liability guarantee. As of December 31, 2021, the guarantee balance was 224 million yuan.

(6) On June 8, 2021, the 23rd meeting of the 6th board of directors of the company (extraordinary) reviewed and approved the "Proposal on Providing Financing Guarantee for Shandong General Aviation Services Co., Ltd.", agreed that the company provides joint and several liability guarantee of 75.95 million yuan for Shandong General Aviation according to the shareholding ratio from the effective date of the master agreement to three years after the date of the expiration of all the debt performance period. The event has been reviewed and approved at the general meeting of 2020 held on June 29, 2021. On August 26, 2021, the company signed the "Guarantee Contract" with Tianjin Zhaoyinjin 74 Rental Co., Ltd. to provide a guarantee of 45.08 million yuan for General Aviation. As of December 31, 2021, the guarantee balance was 44,000,000 yuan.

(7) On November 4, 2021, the 27th meeting of the 6th board of directors of the company (extraordinary) reviewed and approved the "Proposal on Investing in 51% Equity of ECON Technology Co., Ltd.", and agreed that the company obtains 51% equity of ECON Technology through the transfer of old shares and capital increase. At the time of equity acquisition, ECON Technology had eight foreign guarantees, with a total guarantee amount of 3.443 billion yuan, and the actual guarantee amount was 3.648 billion yuan. As of December 31, 2021, the guarantee balance was 2.484 billion yuan.

(8) On December 27, 2021, the 29th meeting of the 6th board of directors of the company reviewed and approved the "Proposal on Shandong High-Speed Rail Transit Group Co., Ltd.'s, the Company's Holding Subsidiary, Provision of Guarantee for Shandong Lingang Shugang Rail Transit Co., Ltd.", and agreed that Rail Transit Group, the company's holding subsidiary, provides guarantee for Lingang Shugang Rail Company according to the shareholding ratio, with a guarantee amount of 400 million yuan. The guarantee method is joint responsibility guarantee, starting from the effective date of the master agreement to three years after the following day of the date of the expiration of all the debt performance period. As of December 31, 2021, the guarantee balance was 0 yuan.

To sum up, as of December 31, 2021, the company and its holding subsidiaries have approved external guarantees with an accumulated amount of 14.739 billion yuan, where the company and its subsidiaries have approved guarantees with an accumulated amount of 7.514 billion yuan to its subsidiaries, respectively accounting for 39.62% and 20.20% of the latest audited net asset value of the company. During the reporting period, the actual amount of the company's external guarantees was 45 million yuan (excluding the company's guarantees to subsidiaries), and the amount of guarantees to subsidiaries was 2.484 billion yuan.

(III) Entrusting others to manage cash assets

1. Entrusted finance

(1) Overall situation of entrusted finance

Applicable Not applicable

Others

Applicable Not applicable

(2) Single entrusted finance

Applicable Not applicable

Others

Applicable Not applicable

(3) Provisions for entrusted finance impairment

Applicable Not applicable

2. Consigned loans

(1) Overall situation of entrusted loan

Applicable Not applicable

Others

Applicable Not applicable

(2) Single entrusted loan

Applicable Not applicable

Others

Applicable Not applicable

(3) Provisions for entrusted loan impairment

Applicable Not applicable

3. Other details

Applicable Not applicable

(IV) Other major contracts

Applicable Not applicable

XIV. Descriptions of other major issues that have a significant impact on investors' value judgments and investment decisions

Applicable Not applicable

Chapter VII Changes in Shares and Information on Shareholders

I. Changes in share capital

(I) Statement of share changes

1. Table of changes in shares

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

2. Explanation on changes in shares

Applicable Not applicable

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

Applicable Not applicable

4. Other 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. Issuance and listing of securities

(I) Securities issuance as of the reporting period

Applicable Not applicable

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

Applicable Not applicable

(II) Changes on the amount of the company's total shares, the structure of shareholders and the structure of asset and liability

Applicable Not applicable

(III) Existing internal employee shares

Applicable Not applicable

III. Condition of shareholders and actual controllers.

(I) Total number of shareholders

Total number of common shareholders at the end of the reporting period (household)	48,646
Total number of common shareholders at the prior month-end before the disclosure date of the annual report	43,925
Total number of preferred shareholders whose voting rights have been restored as of the end of the reporting period (household)	0
Total number of preferred shareholders whose voting rights are restored at the end of the previous month before the disclosure date of the annual report	0

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

Unit: shares

Information of Shares Held by Top Ten Shareholders						
Name of shareholder	Increase/Decrease during the	Number of shares held at the end of the	Proportion (%)	holding	Conditions of pledge, mark, or	Nature of shareholder

(full name)	reporting period	period			freeze			
					Number of shares with trading limited conditions	Status of shares	Number	
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., Ltd.	0	783,613,507	16.29	0	None		Others	
Shandong Hi-speed Group-CICC 17 shangao EB guarantee and trust property special account	0	540,970,671	11.24	0	None		Others	
China Merchants Bank Co., Ltd. - Shanghai Stock Exchange dividend trading open index securities investment fund	46,036,125	73,471,925	1.53	0	None		Others	
Bosera Fund Management Co., Ltd. - Social Security Fund 16011 Portfolio	0	52,000,021	1.08	0	None		Others	
Hong Kong Securities Clearing Company Ltd.	2,001,759	24,943,132	0.52	0	None		Others	
Yingda Taihe Life Insurance	16,000,011	16,000,011	0.33	0	None		Others	

Co., Ltd. - Dividends							
Soochow Securities Co., Ltd.	11,804,538	11,804,538	0.25	0	None		Others
Industrial and Commercial Bank of China Limited - Fullgoal SME INDEX dividend index enhanced securities investment fund	-1,145,000	7,227,289	0.15	0	None		Others
China Construction Bank Co., Ltd. - Dacheng SME INDEX dividend index securities investment fund	3,466,400	6,982,000	0.15	0	None		Others
Information of shares held by top ten shareholders without trading limited conditions							
Name of shareholders	Number of marketable shares held without trading limited conditions	Type and number of shares					
		Type	Number				
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				
China Merchants Bank Co., Ltd. - Shanghai Stock Exchange dividend trading open index securities investment fund	73,471,925	Common stock (CNY)	73,471,925				
Bosera Fund Management Co., Ltd. - Social Security Fund 16011 Portfolio	52,000,021	Common stock (CNY)	52,000,021				
Hong Kong Securities Clearing Company Ltd.	24,943,132	Common stock (CNY)	24,943,132				
Yingda Taihe Life Insurance Co., Ltd. - Dividends	16,000,011	Common stock (CNY)	16,000,011				

Soochow Securities Co., Ltd.	11,804,538	Common stock (CNY)	11,804,538
Industrial and Commercial Bank of China Limited - Fullgoal SME INDEX dividend index enhanced securities investment fund	7,227,289	Common stock (CNY)	7,227,289
China Construction Bank Co., Ltd. - Dacheng SME INDEX dividend index securities investment fund	6,982,000	Common stock (CNY)	6,982,000
Description of repurchase account of among top ten shareholders	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.		
Description of Voting Rights Proxy, Voting Rights Entrustment, and Voting Rights Waiver of shareholders above	None		
Description of aforementioned shareholders' relationship or concerted action	The company does not know whether there is related relationship or belong to the concerted action relationship stipulated in the "Measures for the Administration of Acquisition of Listed Companies" among the above shareholders.		
Descriptions for preference shareholders whose voting rights is resumed and number of preference shares held	None		

Number of shares held by top ten shareholders with trading limited conditions and trading limited conditions

Applicable Not applicable

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

Applicable Not applicable

IV. Controlling shareholders and actual controllers.

(I) Information of controlling shareholders

1. Legal person

Applicable Not applicable

Sintered hollow bricks	Shandong Hi-Speed Group Co., Ltd.
Person in charge or legal representative	Zhou Yong
Date of Establishment	July 2, 1997
Main business	Construction, management, maintenance, operation, development and charging of expressways, bridges, railways, ports and airports; comprehensive development and operation of supporting resources along expressways, bridges and railways; logistics and related supporting services; investment and asset management in financial industry (as approved by relevant authorities); design, consultation, scientific research

	and construction of civil engineering and communication engineering; sales of building materials; mechanical and electrical equipment leasing; and advertising. General business items: automotive towing, rescue and obstacle clearing services; tendering and bidding agency services; leasing of land use right; non-residential real estate leasing; mechanical equipment leasing; parking lot services; manufacturing of new building materials (excluding hazardous chemicals); research and development of emerging energy technologies; and application system integration services for artificial intelligence industry (except for the items that are subject to approval according to law, and the business activities shall be independently carried out according to law with business licenses). Licensed business items: highway management and maintenance; construction project supervision; general aviation services; and various engineering construction activities (for the items that are subject to approval according to law, the business activities can only be carried out after approval by relevant departments. And the specific business items shall be subject to the examination and approval result).
Equity of other domestic and foreign listed holding and participating companies in the report period	55.78% of Shandong Road & Bridge (000498.SZ), 4.53% of Bohai Ferry (603167.SH), 43.42% of Shandong High-Speed Finance (00412.HK), and 48.67% of Weihai Bank (09677.HK).
Other information	None

2. Natural person

Applicable Not applicable

3. Special notes on Companies having no controlling shareholders

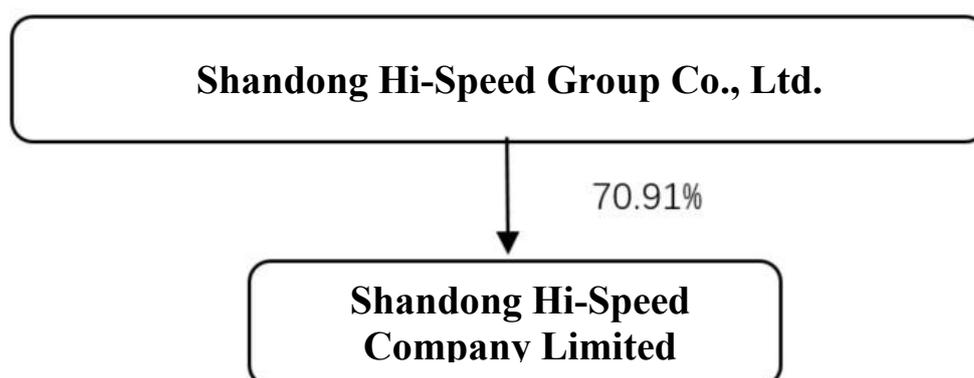
Applicable Not applicable

4. Index and date of change of controlling shareholders during the reporting period

Applicable Not applicable

5. Block diagram on property rights and control relationship between the company and the controlling shareholder

Applicable Not applicable

**(II) Information of actual controller****1. Legal person**

Applicable Not applicable

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

100% shares of Shandong Guohui Investment Group Co., Ltd.

2. Natural person

Applicable Not applicable

3. Special notes on Companies having no actual controllers

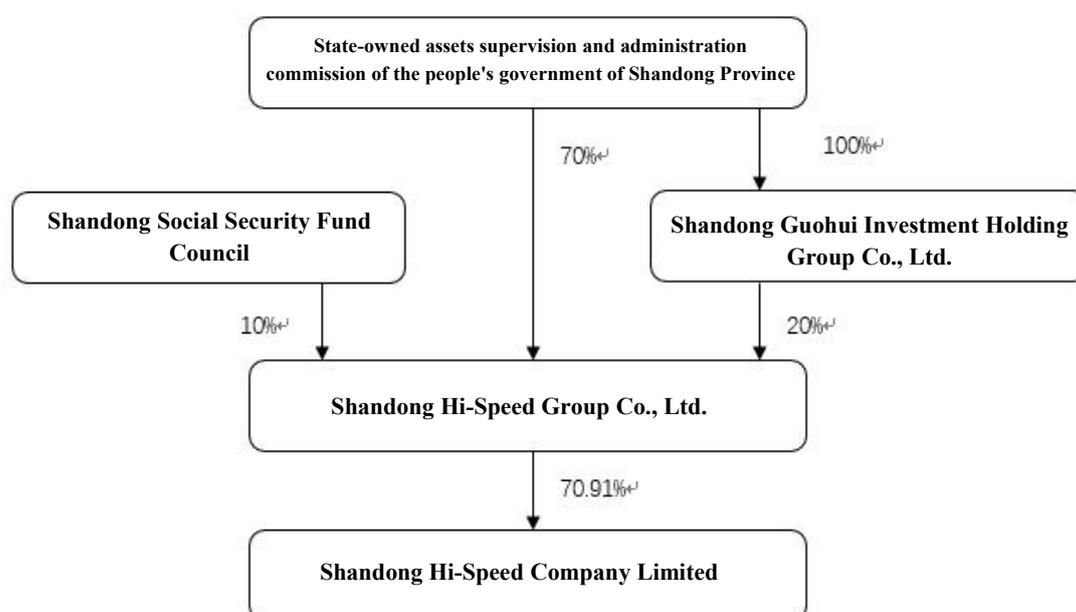
Applicable Not applicable

4 Explanation of changes in the company's control right during the reporting period

Applicable Not applicable

5. Block diagram of ownership and control between the company and the actual controller

Applicable Not applicable



6. The actual controller's control of the company via trust or any other manner of asset management

Applicable Not applicable

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

Applicable Not applicable

V. Number of accumulated pledge shares of the company's controlling shareholder or the first majority shareholder and its persons acting in concert accounts for more than 80% of the number of shares of the company it holds

Applicable Not applicable

VI. Other corporate shareholders holding over 10% of the share capital

Applicable Not applicable

Unit: Hundred million yuan Currency: CNY

Name of legal person shareholder	Person in charge or legal representative	Date of Establishment	Organization code	Registered capital	Main business or management activities, etc
China Merchants Expressway	Bai Jingtao	December 18, 1993	91110000101717000C	61.78	Investment, development, construction and

Network & Technology Holdings Co., Ltd.				operating management of infrastructures of highways, bridges, wharfs, ports and waterways; investment management; development and research of new technologies, new products and new materials for transportation infrastructure, as well as sales of products; sales of building materials, mechanical and electrical equipment, automobiles and accessories, hardware & electric materials, daily necessities; economic information consultation; and talent training. (Any business that needs to be approved by law can only be carried out after approved by relevant authorities)
Remark	None			

VII. Notes on restrictions on shareholding reduction

Applicable Not applicable

VIII. Specific implementation of share repurchase during the reporting period

Applicable Not applicable

Section VIII Relevant Information of Preference Shares

Applicable Not applicable

Section IX Relevant Situation of Bonds

I. Enterprise bonds, Corporate Bonds, and non-financial enterprise debt financing instruments

Applicable Not applicable

(I) Corporate bond

Applicable Not applicable

(II) Corporation bond

Applicable Not applicable

(III) Interbank bond market non-financial enterprise debt financing instruments

Applicable Not applicable

1. Basic information of non-financial enterprise debt financing instruments

Unit: Hundred million yuan Currency: CNY

Bond name	Abbreviation	Code	Issuing date	Value date	Due date	Bond balance	Interest rate (%)	Repayment of principal and interest	Transaction place	Investor eligibility arrangement (if any)	Transa mecha
2020 Phase I medium-term notes	20 Qilu Expressway MTN001	102001742	September 4, 2020	September 4, 2020	Date of initial vesting: September 4, 2025	5	4.70	With deferred option	Interbank market	-	Pub transa
2020 Phase II medium-term notes	20 Qilu Expressway MTN002	102002110	November 6, 2020	November 6, 2020	Date of initial vesting: November 6, 2023	15	4.21	With deferred option	Interbank market	-	Pub transa
The sixth phase of ultra-short term financing bill in 2021 (rural revitalization)	21 Shandong High-Speed Share SCP006 (rural revitalization)	012102057	June 4, 2021	June 4, 2021	March 1, 2022	10	2.85	Repayment due of principal and interest	Interbank market	-	Pub transa
The ninth phase of ultra-short term financing bill in 2021	21 Shandong High-Speed Share SCP009	012105336	December 9, 2021	December 9, 2021	September 5, 2022	10	2.59	Repayment due of principal and interest	Interbank market	-	Pub transa

Measures of the company to cope with risks of terminating bond listing transaction

Applicable Not applicable

Overdue and unpaid bonds

Applicable Not applicable

Bond interest payment redemption situation during the reporting period

Applicable Not applicable

Bond name	Description of interest payment redemption situation
The eighth phase of ultra-short term financing bill in 2020	Normal repayment of capital with interest
The fourth phase of ultra-short term financing bill in	Normal repayment of capital with interest

2020	
The first phase of ultra-short term financing bill in 2021	Normal repayment of capital with interest
The second phase of ultra-short term financing bill in 2021	Normal repayment of capital with interest
The third phase short-term financing bonds in 2021	Normal repayment of capital with interest
The fourth phase of ultra-short term financing bill in 2021	Normal repayment of capital with interest
The fifth phase of ultra-short term financing bill in 2021	Normal repayment of capital with interest
The seventh phase of ultra-short term financing bill in 2021	Normal repayment of capital with interest
The eighth phase of ultra-short term financing bill in 2021	Normal repayment of capital with interest

2. Trigger and enforcement of issuer or investor option clause and investor protection clause

Applicable Not applicable

3. Intermediary agencies that provide services for bond issuance and duration business

Intermediary name	Business address	Names of Signatory Accountants	Contact person	Contact information
Shinewing Certified Public Accountants (Special Partnership)	9/F, Block A, Fuhua Mansion, No.8 Chaoyangmen Beidajie, Dongcheng District, Beijing, China	Wang Gongyong, Ma Tengyong	Yang Chong	15053179557

Changes in the above intermediary

Applicable Not applicable

4. Usage of funds raised at the end of the reporting period

Applicable Not applicable

Unit: Hundred million yuan Currency: CNY

Bond name	Total amount of funds raised	Used amount	Unused amount	Operation of the special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether it is consistent with the purpose, use plan and other agreements promised in the raising manual
2020 Phase I medium-term notes	5	5	0	-	-	Yes
2020 Phase II medium-term notes	15	15	0	-	-	Yes
The sixth phase of ultra-short term financing bill in 2021 (rural	10	10	0	-	-	Yes

revitalization)						
The ninth phase of ultra-short term financing bill in 2021	10	10	0	-	-	Yes

Progress of the raised funds for the construction project and operating efficiency

Applicable Not applicable

Description of changes in the purpose of the above bond raised funds during the reporting period

Applicable Not applicable

Other explanations

Applicable Not applicable

5. Adjustment of credit rating results

Applicable Not applicable

Other explanations

Applicable Not applicable

6. Implementation and changes of guarantee, debt repayment plan, and other debt repayment measures during the reporting period and their impacts

Applicable Not applicable

7. Other information of non-financial enterprise debt financing instruments

Applicable Not applicable

(IV) Losses in the range of consolidated statement during the reporting period exceeding 10% of the net assets at the end of the last year

Applicable Not applicable

(V) Overdue situation of interest-bearing debts other than bonds at the end of the reporting period

Applicable Not applicable

(VI) The impact of violations of laws and regulations, articles of association, information disclosure transaction management system, and the impact of the agreements or commitments in the bond raising manual on the rights and interests of bond investors during the reporting period

Applicable Not applicable

(VII) Accounting data and financial indicators of the company for the past 2 years as of the end of the reporting period

Applicable Not applicable

Unit: Hundred million yuan Currency: CNY

Main indicator	2021	2020	Year-on-year increase or decrease (%)	Variable causes
Net profit after deducting non-recurring profit or loss	26.88	18.60	44.55	Mainly influenced by the free policy on expressway toll in the previous period, the low toll revenue in the previous period and the increase in the operating income by acquiring Luyu Company and ECON Technology Company in this period
Current ratio	0.68	0.70	-2.86	Caused by increase in capital

				expenditure
Quick ratio	0.62	0.63	-1.59	Caused by increase in capital expenditure
Debt-to-assets ratio (%)	62.83	60.68	3.54	Caused by increase in capital expenditure
EBITDA total debt ratio	0.16	0.16	0	
Interest coverage ratio	3.66	3.24	12.96	Caused by increase in the toll revenue and net profit
Cash interest coverage ratio	6.03	4.18	44.26	Caused by increase in the toll revenue and year-on-year increase in net cash flow generated by business activities
EBITDA interest coverage ratio	4.85	4.42	9.73	Caused by increase in the toll revenue and net profit
Loan repayment rate (%)	100	100		
Interest coverage (%)	100	100		

II. Convertible corporate bonds

Applicable Not applicable

Section X Financial Report

I. Auditor's Report

√Applicable □Not applicable

Audit Report

XYZH/2022JNAA30066

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

I. Audit Opinions

We have audited attached financial statement of Shandong Hi-Speed Group Co., Ltd (Hereinafter referred to as Shandong Hi-Speed Group), including consolidated balance sheet and balance sheet of parent company on December 31, 2021, consolidated statement of profit and profit statement of parent company, consolidated statement of cash flow and cash flow statement of parent company, consolidated change statement of owner's equity and change statement of owner's equity of parent company and notes to financial statement in 2021.

In our opinion, the attached financial statements are prepared in accordance with regulations of Accounting Standards for Business Enterprises (ASBE) in all major aspects, and fairly reflect the consolidated financial situations of Shandong Hi-Speed and the parent company up to December 31, 2021 as well as the consolidated operation achievements and cash flow and that of the parent company in 2021.

II. Basis for Audit Opinions

We carried out our audit in accordance with the auditing standards for certified public accountants in China. Our responsibilities under these standards are further elaborated in the "Accountants' responsibilities for auditing the financial statements" section of the Audit Report. We are independent of Shandong Hi-Speed in accordance with the Code of Ethics for Certified Public Accountants in China, and we have fulfilled other responsibilities for professional ethics. We believe that the audit evidences we have obtained are sufficient and appropriate and provide a basis for our audit opinions.

III. Key audit matters

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

1. Impairment of other receivables	
Critical audit items	Response in audit
<p>As of December 31, 2021, as stated in notes V, 13/VII, 8/VII and 71 to the consolidated financial statements of Shandong Hi-Speed, the balance of other receivables of Shandong Hi-Speed is 4,537,246,000 yuan, and the balance of bad debt provision is 332,672,500 yuan. The bad debt provision of other receivables made by Shandong Hi-Speed management is based on the expected credit loss rate of other receivables. As the amount of bad debt provision for other receivables has the significant impact on the financial statements and involves the estimation and judgment of the management, we determine the bad debt provision for other receivables as one of the key audit matters.</p>	<p>Our main audit procedures are:</p> <ul style="list-style-type: none"> -Understand and evaluate the design and operational effectiveness of key internal controls of management related to the impairment of other receivables; -Check whether the relevant accounting policies formulated by the management meet the relevant provisions of the new financial instrument standards and whether the changes of accounting policies have been reviewed by the board of directors; -Review the rationality of the empirical data on historical credit loss and key assumptions used by the management to calculate the expected credit loss rate; -Obtain the expected credit loss model of other receivables, check management's assumptions and calculation process of expected credit loss, and recalculate; -Evaluate the management's judgment on the

	<p>changes in credit risk, and review the rationality of the different stages of other receivables;</p> <p>-Assess whether the accounting treatment of bad debt provision of other receivables and the presentation and disclosure of relevant information in the financial statements are appropriate.</p>
2. Depreciation and amortization of franchise rights of road products and toll roads	
Critical audit items	Response in audit
<p>As of December 31, 2021, as stated in notes V, 23/V, 29/VII, 21.1 (1)/VII, 26 (1) to the consolidated financial statements of Shandong Hi-Speed, the net value of the franchise rights of Shandong Hi-Speed road property and toll roads is 64,921,333,900 yuan, and the amount of depreciation and amortization in 2021 is 2,426,294,800 Yuan. The depreciation amount of Shandong Hi-Speed road property and toll road franchise is calculated based on the ratio of the actual traffic flow in a specific year to the estimated total traffic flow in the remaining toll period. As the estimated total traffic volume in the remaining toll period involves significant accounting estimates, we have listed the accuracy of depreciation and amortization of Shandong High-Speed road property and toll road franchise as one of the key audit matters.</p>	<p>Our main audit procedures are:</p> <p>-evaluate the qualification, professional competence and independence of the third-party organization for traffic flow prediction;</p> <p>-obtain the prediction report of the external independent professional organization and check its important assumptions, and compare the important assumptions with the planning of the government;</p> <p>-compare the difference between the predicted traffic flow and the actual traffic flow and evaluate the accuracy of the traffic flow prediction report;</p> <p>-check whether the actual traffic flow data applied by the management is consistent with the actual traffic flow data obtained by Shandong Hi-Speed from external parties;</p> <p>-recalculate the depreciation and amortization of the road property and toll road franchise rights, and compare with the depreciation and amortization amount of the road property and toll road franchise rights in the financial statements.</p>
3. Goodwill	
Critical audit items	Response in audit
<p>As of December 31, 2021, as stated in notes V, 30/VII, and 28 to the consolidated financial statements of Shandong Hi-Speed, Shandong Hi-Speed acquired 51% equity of ECON Technology Co., Ltd. in 2021, forming a goodwill of 627,509,785.65 yuan. According to the provisions of Accounting Standard for Business Enterprises, the management needs to perform an impairment test of goodwill at least every year. For the impairment test, the management needs to determine the recoverable amount of the asset group according to the higher value between the net amount after deducting the disposal fee by the fair value of related asset group containing goodwill and the present value of the related asset group's expected future cash flow. The growth rate, gross profit margin, discount rate used when predicting the future cash flow of the related asset group, etc. involve the management's major accounting estimates and judgments. Due to the large amount of goodwill and involving major accounting estimates, we listed goodwill impairment as key audit item.</p>	<p>Our main audit procedures are:</p> <p>- Learn and evaluate the validity of key internal control related to goodwill impairment;</p> <p>- Review the management's identification of the asset group involved in the goodwill impairment test;</p> <p>- Analyze and review the rationality of the discounted cash flow calculation model, key assumptions, key parameters used by the management in goodwill impairment;</p> <p>- Review the basic data, based on which the management performed goodwill impairment test, compare with historical management data and the development trend of the industry and analyze;</p> <p>- Analyze the performance commitment of the merger and acquisition target enterprise and the completion of actual performance;</p> <p>- Review the adequacy and integrity of the relevant disclosure in the note of the financial statements.</p>

IV. Other Information

The Management of Shandong Hi-Speed (hereinafter referred to as the Management) shall be responsible for other information. Other information comprises all information included in 2021 annual

report of Shandong Hi-Speed, excluding the financial statements and our audit report thereon.

Our audit opinions on the financial statements do not cover the other information, and we have not expressed any forensic conclusion of any form on the other information.

In combination with our audit on the financial statements, our responsibilities are to read the other information and to consider in this process whether the other information is materially inconsistent with the financial statements or what we have acknowledged during the audit process or whether there is any material misstatement.

Based on the work we have performed, if we determine that there is a material misstatement of other information, we shall report that fact. In this regard, we have nothing to report.

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

The management is responsible for preparing the financial statements in accordance with the Accounting Standards for Business Enterprises so as to achieve fair presentation and to design, implement and maintain necessary internal controls to ensure that the financial statements are free from material misstatement due to fraud or error.

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

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

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

Our objectives are to obtain a reasonable assurance that the financial statements as a whole are free of any material misstatement caused by fraud or error and to issue an audit report that includes our audit opinions. The reasonable assurance is a high-level assurance, but it is not an assurance that the audit conducted in accordance with the auditing standards can always detect any material misstatement when it exists. The misstatements may be caused by fraud or error, and they are generally considered to be material if it is reasonably expected that the misstatements may individually or as a whole affect the economic decisions made by the financial statement user in accordance with the financial statements.

We exercise professional judgments and maintain professional skepticism during the audit conducted according to the auditing standards. Meanwhile, we also:

(1) Identify and assess the risk of material misstatements of financial statements due to fraud or error, design and implement audit procedures to address these risks, and obtain adequate and appropriate audit evidence as the basis for delivering audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal control.

(2) Understand the internal control related to audit to design appropriate audit procedures.

(3) Evaluate the appropriateness of accounting policies selected by the management, and the rationality of accounting estimates and related disclosures made.

(4) Draw a conclusion on the appropriateness of management's use of the going concern assumption. Besides, based on the obtained audit evidence, conclusions can be drawn on whether there is significant uncertainty in matters or circumstances which will cause great concerns on the continuous operation capacity of Shandong Hi-Speed. According to the requirements of the auditing standards, if we conclude that there is any material uncertainty, we should remind the financial statement user of the related disclosures in the financial statements in our audit report, or if such disclosures are inadequate, we should modify our audit opinions. Our conclusions are based on the information available as of the audit report day. However, future events or conditions may cause Shandong Hi-Speed to cease the operation

(5) Evaluate the overall presentation, structure and content of the financial statements and whether the financial statements represent the relevant transactions and events in fair presentation.

(6) Obtain sufficient and appropriate audit evidence for the financial information of entities or business activities of Shandong Hi-Speed to express audit opinions on the financial statements. We are responsible for guiding, supervising, and implementing the audit on the Group and take all responsibilities for the audit opinions.

We communicate with the governance about the planned audit scope, time arrangement, great audit findings, etc., including any noteworthy significant deficiency in the internal control identified by us during the audit.

We also provide the governance with a statement of our compliance with the code of ethics related to our independence and communicate with the governance on all relationships and other matters that may reasonably be considered to affect our independence, as well as the relevant precautions (if applicable).

From the matters communicated with the governance level, we determine which matters are most important for the audit of the financial statements of the current period, and thus constitute the key audit matters. We describe these matters in the audit report, unless the public disclosure of these matters is prohibited by laws and regulations, or in very few cases, if it is reasonably expected that the negative consequences caused by communicating one certain matter in the audit report outweigh the benefits generated in the public interest, we confirm that the matters shall not be communicated in the audit report.

Shinewing Certified Public Accountants (Special Partnership)

Beijing, China

Certified Public Accountant of China: (Project partner)

Chinese Certified Public Accountant:

March 29, 2022

II. Financial statements**Consolidated Balance Sheet**

December 31, 2021

Prepared by: Shandong Hi-Speed Co., Ltd

Unit: Yuan; Currency: CNY

Item	Note	December 31, 2021	December 31, 2020
Current assets:			
Monetary funds	VII. 1	4,733,510,418.21	2,335,519,595.01
Settlement reserve			
Funds lent			
Trading financial assets	VII. 2		502,683,295.89
Derivative financial assets			
Notes receivable	VII. 4	313,295,763.10	78,553,471.98
Accounts receivable	VII. 5	1,494,867,863.73	587,672,073.44
Receivable financing	VII. 6	123,809,683.09	150,364,832.63
Advance payments	VII. 7	212,881,095.50	147,336,622.38
Premiums receivable			
Reinsurance accounts receivable			
Receivable reserve for reinsurance contract			
Other receivables	VII. 8	4,279,611,568.61	4,267,239,443.54
Including: interest receivable			
Dividends receivable	VII. 8	75,037,985.75	75,037,985.75
Redemptory monetary capital for sale			
Inventory	VII. 9	1,455,852,305.53	1,394,258,232.45
Contract assets	VII. 10	708,849,824.78	164,141,161.07
Held-for-sale assets			
Non-current assets due within one year	VII. 12	40,104,821.79	113,246,088.67
Other current assets	VII. 13	3,025,145,847.83	3,739,032,573.25
Total current assets		16,387,929,192.17	13,480,047,390.31
Non-current assets:			
Disbursement of loans and advances			
Creditors' investments	VII. 14	2,832,066,696.53	2,614,476,734.72
Other debt investment			
Long-term receivables	VII. 16	61,573,400.00	
Long-term equity investments	VII. 17	13,736,622,755.90	12,953,835,204.30
Other equity instruments investments	VII. 18	421,639,839.34	349,241,523.36
Other non-current financial assets	VII. 19	800,983,198.11	599,602,448.11
Investment real estate	VII. 20	719,679,159.37	744,955,453.08
Fixed assets	VII. 21	9,864,166,057.38	9,600,230,065.23
Construction in progress	VII. 22	15,088,605,406.82	8,632,754,009.79

Productive biological assets			
Oil and gas assets			
Usufruct assets	VII. 25	92,061,575.04	78,173,313.93
Intangible assets	VII. 26	63,267,330,496.31	48,126,238,106.03
Development expenditures			
Goodwill	VII. 28	627,509,785.65	
Long-term unamortized expenses	VII. 29	40,792,018.68	5,708,133.98
Deferred income tax assets	VII. 30	870,807,961.24	732,224,430.46
Other non-current assets	VII. 31	1,094,394,613.09	1,759,925,289.04
Total non-current assets		109,518,232,963.46	86,197,364,712.03
Total assets		125,906,162,155.63	99,677,412,102.34
Current liabilities:			
Short-term borrowings	VII. 32	3,448,595,311.59	2,861,018,522.06
Borrowings from central bank			
Borrowing funds			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	VII. 35	522,493,122.90	276,072,829.09
Accounts Payable	VII. 36	9,997,523,588.75	4,752,653,371.86
Advance receipts	VII. 37	65,488,847.83	77,515,694.58
Contract liabilities	VII. 38	151,768,984.32	119,559,857.88
Funds from financial assets sold for repurchase			
Deposits from customers and interbank			
Receiving from vicariously traded securities			
Receivings from vicariously sold securities			
Employee pay payable	VII. 39	203,021,816.82	140,365,567.39
Taxes and dues payable	VII. 40	673,400,637.05	663,977,397.94
Other payables	VII. 41	4,301,489,942.12	3,724,223,735.68
Including: interest payable			
Dividends payable	VII. 41	91,811,851.16	60,885,896.25
Handling charges and commissions payable			
Dividend payable for reinsurance			
Held-for-sale liabilities			
Non-current liabilities due within one year	VII. 43	2,656,588,218.95	4,032,426,775.73
Other current liabilities	VII. 44	2,030,003,926.02	2,529,825,261.70
Total current liabilities		24,050,374,396.35	19,177,639,013.91
Non-current liabilities			
Insurance contract reserve			
Long-term loans	VII. 45	50,010,994,376.80	37,550,693,637.85
Bonds payable			
Incl.: Preferred stock			

Perpetual bonds			
Lease liabilities	VII. 47	82,985,159.05	75,911,342.92
Long-term payables	VII. 48	455,226,124.38	481,309,265.20
Long-term payroll payable	VII. 49	197,829,580.67	214,288,788.88
Estimated liabilities	VII. 50	242,842,002.88	286,586,129.19
Deferred income	VII. 51	2,352,861,294.09	1,593,513,850.06
Deferred income tax liabilities	VII. 30	1,708,580,667.82	1,103,990,005.95
Other non-current liabilities	VII. 52	298,102.41	
Total non-current liabilities		55,051,617,308.10	41,306,293,020.05
Total liabilities		79,101,991,704.45	60,483,932,033.96
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	VII. 53	4,811,165,857.00	4,811,165,857.00
Other equity instruments	VII. 54	8,200,000,000.00	3,200,000,000.00
Incl.: Preferred stock			
Perpetual bonds		8,200,000,000.00	3,200,000,000.00
Capital reserves	VII. 55	1,208,658,668.08	2,526,600,650.09
Less: Treasury share			
Other comprehensive income	VII. 57	-32,750,233.99	-47,382,900.51
Special reserve	VII. 58	113,419,751.87	95,654,456.55
Surplus reserve	VII. 59	3,576,528,562.66	3,388,948,843.13
General risk provision			
Undistributed profit	VII. 60	19,321,064,128.14	18,604,140,333.69
Total equity attributable to the owners of the parent company (or shareholders' equity)		37,198,086,733.76	32,579,127,239.95
Minority equity		9,606,083,717.42	6,614,352,828.43
Total owner's equity (shareholder's equity)		46,804,170,451.18	39,193,480,068.38
Liabilities and total owner's equity (or shareholder's equity)		125,906,162,155.63	99,677,412,102.34

Person in charge of the company: Sai Zhiyi

Person in charge of accounting work: Lyu Sizhong

Chief accountant: Zhou Liang

Person in charge of accounting agency: Chen Fang

Balance Sheet of Parent Company

December 31, 2021

Prepared by: Shandong Hi-Speed Co., Ltd

Unit: Yuan; Currency: CNY

Item	Note	December 31, 2021	December 31, 2020
Current assets:			
Monetary funds		935,936,550.58	928,288,455.53
Trading financial assets			
Derivative financial assets			
Notes receivable		181,820,422.33	33,981,915.06
Accounts receivable			
Receivable financing		7,000,000.00	
Advance payments		7,572,454.27	11,237,709.41
Other receivables	XVII. 2	5,500,375,717.31	6,219,568,039.82
Including: interest receivable			
Dividends receivable		77,707,931.78	75,037,985.75
Inventory			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets			1,330.70
Total current assets		6,632,705,144.49	7,193,077,450.52
Non-current assets:			
Creditors' investments		450,000,000.00	1,050,000,000.00
Other debt investment			
Long-term receivables			
Long-term equity investments	XVII. 4	28,909,508,330.26	22,198,322,722.62
Other equity instruments investments		5,924,195.40	17,614,686.36
Other non-current financial assets			
Investment real estate		95,840,009.55	99,593,869.59
Fixed assets		5,843,775,616.96	5,847,333,014.15
Construction in progress		2,213,932,334.59	6,609,958,928.50
Productive biological assets			
Oil and gas assets			
Usufruct assets		2,277,314.32	
Intangible assets		35,346,999,846.43	26,031,443,072.07
Development expenditures			
Goodwill			
Long-term unamortized expenses		1,165,038.14	2,255,539.59

Deferred income tax assets		769,863,727.75	553,019,757.44
Other non-current assets		999,819,361.53	1,691,331,534.50
Total non-current assets		74,639,105,774.93	64,100,873,124.82
Total assets		81,271,810,919.42	71,293,950,575.34
Current liabilities:			
Short-term borrowings		3,038,085,371.67	2,713,985,295.67
Trading financial liabilities			
Derivative financial liabilities			
Notes payable		249,629,429.78	241,800,000.00
Accounts Payable		3,953,242,149.90	3,827,021,730.09
Advance receipts		400,000.00	
Contract liabilities		6,760,958.00	
Employee pay payable		5,047,282.29	4,191,355.63
Taxes and dues payable		290,609,681.70	329,613,826.45
Other payables		4,000,403,357.68	2,644,367,755.20
Including: interest payable			
Dividends payable		28,602,494.31	17,677,077.63
Held-for-sale liabilities			
Non-current liabilities due within one year		1,203,192,326.16	2,624,567,516.60
Other current liabilities		2,018,107,397.26	2,515,141,657.31
Total current liabilities		14,765,477,954.44	14,900,689,136.95
Non-current liabilities			
Long-term loans		30,036,526,912.19	25,655,628,195.96
Bonds payable			
Incl.: Preferred stock			
Perpetual bonds			
Lease liabilities			
Long-term payables		294,000,000.00	294,000,000.00
Long-term payroll payable		103,159,537.34	111,690,956.40
Estimated liabilities			
Deferred income		1,159,595,299.38	708,624,257.65
Deferred income tax liabilities		301,631,441.03	165,146,292.77
Other non-current liabilities			
Total non-current liabilities		31,894,913,189.94	26,935,089,702.78
Total liabilities		46,660,391,144.38	41,835,778,839.73
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		4,811,165,857.00	4,811,165,857.00
Other equity instruments		8,500,000,000.00	3,200,000,000.00
Incl.: Preferred stock			
Perpetual bonds		8,500,000,000.00	3,200,000,000.00
Capital reserves		1,875,924,103.91	1,902,762,862.20

Less: Treasury share			
Other comprehensive income		-36,009,846.10	-48,454,749.94
Special reserve			
Surplus reserve		3,548,186,672.99	3,360,606,953.46
Undistributed profit		15,912,152,987.24	16,232,090,812.89
Total owner's equity (shareholder's equity)		34,611,419,775.04	29,458,171,735.61
Liabilities and total owner's equity (or shareholder's equity)		81,271,810,919.42	71,293,950,575.34

Person in charge of the company: Sai Zhiyi

Person in charge of accounting work: Lyu Sizhong

Chief accountant: Zhou Liang

Person in charge of accounting agency: Chen Fang

Consolidated Income Statement

January to December in 2021

Unit: Yuan; Currency: CNY

Item	Note	2021	2020
I. Total operating income	VII. 61	16,203,578,427.97	13,003,370,230.12
Incl.: Operating income	VII. 61	16,203,578,427.97	13,003,370,230.12
Interest incomes			
Earned premium			
Incomes from service charge and commission fee			
II. Total operating cost		12,128,682,149.20	10,689,797,958.04
Incl.: Operating cost	VII. 61	9,183,816,192.12	8,207,777,454.67
Interest expenses			
Expenses on service charge and commission fee			
Surrender value			
Net payments for insurance claims			
Net amount of insurance contract reserve			
Policyholder dividend expense			
Reinsurance expense			
Taxes and surcharges	VII. 62	108,485,145.36	86,942,805.40
Selling expenses	VII. 63	18,821,039.91	10,629,082.64
Administrative expenses	VII. 64	735,805,392.28	611,402,339.19
Research and development (R&D) expenses	VII. 65	135,698,651.37	67,632,819.17
Financial expenses	VII. 66	1,946,055,728.16	1,705,413,456.97
Incl.: Interest expenses		2,022,079,681.36	1,814,067,040.93
Interest incomes		84,786,233.71	109,950,358.07
Plus: Other incomes	VII. 67	76,577,471.68	74,482,810.42
Income from investment (“-” for loss)	VII. 68	975,100,108.68	1,477,982,587.27
Incl.: Income from investment to joint venture and cooperative enterprise		518,890,535.70	570,838,897.19

Income from derecognition of financial assets measured at amortized cost			
Exchange gain ("-" for loss)			
Net exposure hedge gains ("-" for loss)			
Incomes from fair value variation ("-" for loss)			2,568,219.18
Credit impairment losses ("-" for loss)	VII. 71	-78,213,586.07	-40,123,822.61
Asset impairment losses ("-" for loss)	VII. 72	91,290,972.65	-83,309,890.69
Income from disposal of asset ("-" for loss)	VII. 73	12,036,683.48	2,187,877.86
III. Operating profit ("-" for loss)		5,151,687,929.19	3,747,360,053.51
Plus: Non-operating income	VII. 74	93,552,742.92	121,103,395.58
Less: Non-operating expense	VII. 75	59,763,650.14	56,317,700.61
IV. Total profit ("-" for loss)		5,185,477,021.97	3,812,145,748.48
Less: Income tax expense	VII. 76	1,267,373,461.56	1,051,935,202.85
V. Net profit ("-" for loss)		3,918,103,560.41	2,760,210,545.63
(I) Classified by continuity of operation			
1. Net profit from going concern ("-" for net loss)		3,918,103,560.41	2,760,210,545.63
2. Net profit from discontinued operation ("-" for net loss)			
(II) Classified by attribution of ownership			
1. Net profit attributable to shareholders of parent company (net loss is listed with "-")		3,052,287,782.41	2,280,635,743.62
2. Profits and losses of minority shareholders (net loss is listed with "-")		865,815,778.00	479,574,802.01
VI. Net amount of other comprehensive income after tax		26,018,723.48	-57,335,983.09
(I) After-tax net amount of other comprehensive incomes attributable to owners of the parent company		14,632,666.52	-57,335,983.09
1. Other comprehensive income that cannot be reclassified into profits and losses		160,303.02	-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		160,303.02	-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		14,472,363.50	-52,153,056.26
(1) Other comprehensive income that can be converted to profit and loss under equity method		14,472,363.50	-52,153,056.26
(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		11,386,056.96	
VII. Total comprehensive income		3,944,122,283.89	2,702,874,562.54
(I) Total comprehensive income attributable to owners of the parent company		3,066,920,448.93	2,223,299,760.53
(II) Total comprehensive income attributed to minority shareholders		877,201,834.96	479,574,802.01
VIII. Earnings per share:			
(I) Basic earnings per share (yuan/share)		0.597	0.453
(II) Diluted earnings per share (yuan/share)		0.596	0.451

In case of enterprise merger under the same control in this period, the net profit realized by the merged party before the merger is: 724,944,893.28 yuan. The net profit realized by the merged party in the previous period was 620,775,145.78 yuan.

Person in charge of the company: Sai Zhiyi Person in charge of accounting work: Lyu Sizhong Chief accountant: Zhou Liang Person in charge of accounting agency: Chen Fang

Income Statement of Parent Company

January to December in 2021

Unit: Yuan; Currency: CNY

Item	Note	2021	2020
I. Operating incomes	XVII. 5	6,721,260,348.72	5,433,545,542.19
Less: operating cost	XVII. 5	3,486,330,562.44	3,126,521,536.40
Taxes and surcharges		41,287,445.42	36,609,615.38
Selling expenses			
Administrative expenses		225,831,377.42	156,474,259.74
Research and development (R&D) expenses		29,811,006.87	22,209,698.34
Financial expenses		1,170,512,262.50	1,174,143,153.73
Incl.: Interest expenses		1,337,915,958.32	1,377,206,551.03
Interest incomes		169,011,578.69	203,183,301.97
Plus: Other incomes		38,301,024.64	32,034,600.35
Income from investment (“-” for loss)	XVII. 6	582,145,736.33	1,889,609,968.46
Incl.: Income from investment to joint venture and cooperative enterprise		412,761,590.77	407,748,201.80
Income from derecognition of financial assets measured at amortized cost			
Net exposure hedge gains (“-” for loss)			
Incomes from fair value variation (“-” for loss)			
Credit impairment losses (“-” for loss)			
Asset impairment losses (“-” for loss)			

Income from disposal of asset ("-" for loss)		12,067,542.09	
II. Operating profits ("-" for loss)		2,398,766,638.89	2,836,020,497.67
Plus: Non-operating income		48,450,877.37	61,070,052.10
Less: Non-operating expense		30,547,102.10	39,081,928.51
III. Total profits ("-" for total loss)		2,416,670,414.16	2,858,008,621.26
Less: Income tax expense		540,873,218.84	615,947,954.27
IV. Net profits ("-" for net loss)		1,875,797,195.32	2,242,060,666.99
(I) Net profits from continuing operation ("-" for net losses)		1,875,797,195.32	2,242,060,666.99
(II) Net profits from discontinued operation (net loss is listed with "-")			
V. Net amount of other comprehensive income after tax		12,444,903.84	-58,407,832.52
(I) Other comprehensive income that can't be reclassified into profit and loss		-11,690,490.96	
1. Changes arising from the re-measurement of defined benefit plans			
2. Other comprehensive incomes that cannot be converted to profit and loss under equity method			
3. Fair value changes of other equity instrument investment		-11,690,490.96	
4. Fair value changes of enterprise's credit risk			
(II) Other comprehensive incomes that can be reclassified into profit and loss		24,135,394.80	-58,407,832.52
1. Other comprehensive incomes that can be converted to profit and loss under equity method		24,135,394.80	-58,407,832.52
2. Fair value changes of other debt investment			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provisions for credit impairment of other creditors' investments			
5. Cash flow hedging reserves			
6. Conversion difference of financial statements in foreign currency			
7. Others			
VI. Total comprehensive income		1,888,242,099.16	2,183,652,834.47
VII. Earnings per share:			
(I) Basic earnings per share (yuan/share)			
(II) Diluted earnings per share (yuan/share)			

Person in charge of the company: Sai Zhiyi

Person in charge of accounting work: Lyu Sizhong

Chief accountant: Zhou Liang

Person in charge of accounting agency: Chen Fang

Consolidated Cash Flow Statement

January to December in 2021

Unit: Yuan; Currency: CNY

Item	Note	2021	2020
I. Cash flow from operating activities:			
Cash receipts from sale of goods and rendering of services		18,463,880,254.92	13,300,776,325.92
Net increase in deposit from customers and interbank			
Net increase in borrowing from central bank			
Net increase in borrowings from other financial institutions			
Cash receipts from original insurance contract premium			
Net cash receipts from reinsurance business			
Net increase of insured deposit and investment			
Cash receipts from interest, fee and commission			
Net increase in borrowings from banks and other financial institutions			
Net increase in repurchase business funds			
Net cash received from agent trading securities			
Refunds of taxes and levies		86,394,777.83	58,346.52
Other cash received for operating activities	VII. 78	1,246,733,299.14	2,590,993,632.08
Subtotal of cash inflows from operating activities		19,797,008,331.89	15,891,828,304.52
Cash payments for purchase of goods and acceptance of services		4,647,166,158.37	6,528,639,074.43
Net increase in customer loans and advances			
Net increase of deposits in central bank and other financial institutions			
Cash payments for original insurance contract claims			
Net increase in funds lent			
Cash payments for interest, fee and commission			
Cash payment for policyholder dividend			
Cash paid to and for employees		2,052,589,543.32	1,742,193,597.24
Tax payments		1,931,195,423.73	1,677,842,830.74
Other cash paid for operating activities	VII. 78	1,371,570,136.79	495,925,207.58
Subtotal of cash outflows from operating activities		10,002,521,262.21	10,444,600,709.99
Net cash flows from operating activities		9,794,487,069.68	5,447,227,594.53
II. Cash flow from investment activities:			
Cash receipts from investment withdrawal		5,374,012,470.47	3,511,223,962.89
Cash received for investment incomes		643,843,395.43	1,894,451,115.99
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		1,118,055.70	6,394,982.27
Net cash receipts from disposal of subsidiary or any other business unit			

Other cash receipts relating to investment activities	VII. 78	639,022,027.40	868,998,592.11
Subtotal of cash inflows from investment activities		6,657,995,949.00	6,281,068,653.26
Cash payments to acquire fixed assets, intangible assets and other long-term assets		8,423,463,804.55	6,699,351,759.11
Cash paid for investments		2,887,995,438.63	4,582,569,587.65
Net increase of hypothecated loan			
Net cash payments to acquire subsidiary and other business units		2,094,951,520.1	26,474,545.02
Other cash payments relating to investment activities	VII. 78	53,420,166.49	13,601,593.13
Subtotal of cash outflows from investment activities		13,459,830,929.77	11,321,997,484.91
Net cash flows from investment activities		-6,801,834,980.77	-5,040,928,831.65
III. Cash flow from financing activities:			
Cash received for investments attracted		6,230,340,500.00	4,815,294,000.00
Incl.: Cash receipts from subsidiary investments from minority shareholders		30,340,500.00	615,294,000.00
Cash receipts from borrowings		25,611,386,360.00	24,546,074,799.87
Other cash received in connection with financing activities	VII. 78	40,010,546.83	600,000,000.00
Subtotal of cash inflows from financing activities		31,881,737,406.83	29,961,368,799.87
Cash payments of amounts borrowed		23,654,642,819.83	18,567,130,502.92
Cash payments for distribution of dividends or profits, or cash payments for interests		4,931,876,446.21	4,859,428,331.52
Incl.: Dividends and profits paid to minority shareholders from subsidiary		275,910,356.47	759,080,855.40
Other cash payments relating to financing activities	VII. 78	4,125,868,753.94	7,846,163,815.56
Subtotal of cash outflows from financing activities		32,712,388,019.98	31,272,722,650.00
Net cash flow from financing activities		-830,650,613.15	-1,311,353,850.13
IV. Impact of exchange rate fluctuations on cash and cash equivalents		-354,928.02	2,516,442.38
V. Net increase in cash and cash equivalents		2,161,646,547.74	-902,538,644.87
Add: Balance of cash and cash equivalents at beginning of the year		2,263,981,913.08	3,166,520,557.95
VI. Balance of cash and cash equivalents at end of the year		4,425,628,460.82	2,263,981,913.08

Person in charge of the company: Sai Zhiyi

Person in charge of accounting work: Lyu Sizhong

Chief accountant: Zhou Liang

Person in charge of accounting agency: Chen Fang

Cash Flow Statement of Parent Company

January to December in 2021

Unit: Yuan; Currency: CNY

Item	Note	2021	2020
I. Cash flow from operating activities:			

Cash receipts from sale of goods and rendering of services		7,107,060,598.70	5,367,086,927.84
Refunds of taxes and levies			
Other cash received for operating activities		2,307,738,968.04	1,229,452,532.93
Subtotal of cash inflows from operating activities		9,414,799,566.74	6,596,539,460.77
Cash payments for purchase of goods and acceptance of services		739,562,842.18	1,000,701,125.19
Cash paid to and for employees		1,155,839,687.64	1,032,932,183.82
Tax payments		975,026,461.02	917,646,750.36
Other cash paid for operating activities		963,088,521.97	1,450,678,427.20
Subtotal of cash outflows from operating activities		3,833,517,512.81	4,401,958,486.57
Net cash flows from operating activities		5,581,282,053.93	2,194,580,974.20
II. Cash flow from investment activities:			
Cash receipts from investment withdrawal		600,000,000.00	5,492,147,931.56
Cash received for investment incomes		251,379,309.52	1,488,794,222.26
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		7,500.00	2,205,830.27
Net cash receipts from disposal of subsidiary or any other business unit			
Other cash receipts relating to investment activities		1,113,246,318.83	311,304.58
Subtotal of cash inflows from investment activities		1,964,633,128.35	6,983,459,288.67
Cash payments to acquire fixed assets, intangible assets and other long-term assets		5,340,443,711.73	5,822,609,057.35
Cash paid for investments		5,619,309,315.02	6,243,449,819.42
Net cash payments to acquire subsidiary and other business units			
Other cash payments relating to investment activities		740,484,445.01	3,442,519.54
Subtotal of cash outflows from investment activities		11,700,237,471.76	12,069,501,396.31
Net cash flows from investment activities		-9,735,604,343.41	-5,086,042,107.64
III. Cash flow from financing activities:			
Cash received for investments attracted		6,500,000,000.00	3,200,000,000.00
Cash receipts from borrowings		24,103,400,000.00	22,653,574,799.87
Other cash received in connection with financing activities			1,000,030,380.25
Subtotal of cash inflows from financing activities		30,603,400,000.00	26,853,605,180.12
Cash payments of amounts borrowed		21,465,080,514.84	20,162,945,199.78
Cash payments for distribution of dividends or profits, or cash payments for interests		3,771,782,526.73	3,431,221,857.70
Other cash payments relating to financing activities		1,204,816,573.90	310,663,814.22
Subtotal of cash outflows from financing activities		26,441,679,615.47	23,904,830,871.70
Net cash flow from financing activities		4,161,720,384.53	2,948,774,308.42
IV. Impact of exchange rate fluctuations on cash and			

cash equivalents			
V. Net increase in cash and cash equivalents		7,398,095.05	57,313,174.98
Add: Balance of cash and cash equivalents at beginning of the year		928,288,455.53	870,975,280.55
VI. Balance of cash and cash equivalents at end of the year		935,686,550.58	928,288,455.53

Person in charge of the company: Sai Zhiyi

Person in charge of accounting work: Lyu Sizhong

Chief accountant: Zhou Liang

Person in charge of accounting agency: Chen Fang

Consolidated Statement of Changes in Owners' Equity
January to December in 2021

Unit: Yuan; Currency: CNY

Item	2021														
	Owner's equity attributable to parent company												Minority equity	Total owner's equity	
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profit	Others			Subtotal
	Preferred stock	Perpetual bonds	Others												
I. Balance of the end of the last year	4,811,165,857.00		3,200,000.00		1,748,100,650.09		-47,382,900.51	95,654,456.55	3,388,948,843.13		18,254,274,865.21		31,450,761,771.47	4,843,898,853.17	36,294,660,624.64
Plus: Error correction in the accounting policy change period															
I Business merger under control and others					778,500.00						349,865.468.48		1,128,365,468.48	1,770,453,975.26	2,898,819,443.74
II. Beginning balance of this year	4,811,165,857.00		3,200,000.00		2,526,600,650.09		-47,382,900.51	95,654,456.55	3,388,948,843.13		18,604,140,333.69		32,579,127,239.95	6,614,352,828.43	39,193,480,068.38
III. Change amount of this period ("-" for decrease)			5,000,000.00		-1,317,941,982.01		14,632,666.52	17,765,295.32	187,579,719.53		716,923,794.45		4,618,959,493.81	2,991,730,888.99	7,610,690,382.80
(I) Total comprehensive income							14,632,666.52				3,052,287,782.41		3,066,920,448.93	877,201,834.96	3,944,122,283.89
(II) Input and reduction of owner's capital			5,000,000.00		-1,317,941,982.01			3,884.012.70					3,685,942,030.69	2,404,710,535.76	6,090,652,566.45
1. Common stocks invested by the owners														30,340,500.00	30,340,500.00
2. Capital invested by other equity instrument holders			5,000,000.00										5,000,000,000.00		5,000,000,000.00
3. Amount of share-based payment included in owner's					38,560.600.00								38,560.600.00		38,560,600.00

equity															
4. Others.					-1,356,502,582.01			3,884,012.70					-1,352,618,569.31	2,374,370,035.76	1,021,751,466.45
(III) Profit distribution								187,579,719.53		-2,335,363,987.96			-2,147,784,268.43	-304,820,356.47	-2,452,604,624.90
1. Withdrawal of surplus reserves								187,579,719.53		-187,579,719.53					
2. Withdrawal of general risk reserves															
3. Distribution to owners (or shareholders)										-1,968,373,025.66			-1,968,373,025.66	-304,820,356.47	-2,273,193,382.13
4. Others.										-179,411,242.77			-179,411,242.77		-179,411,242.77
(IV) Internal carry-over of owners' equity															
1. Capital reserve converted into capital (or share capital)															
2. Surplus reserve converted into capital (or share capital)															
3. Surplus reserves covering losses															
4. Carry forward retained earnings of the defined benefit plan changes															
5. Carry forward retained earnings of other comprehensive income															
6. Others															
(V) Special reserves								13,881,282.62					13,881,282.62	14,638,874.74	28,520,157.36
1. Withdrawal in current period								16,399,841.91					16,399,841.91	17,304,070.87	33,703,912.78

2. Use in current period							2,518,559.29					2,518,559.29	2,665,196.13	5,183,755.42	
(VI) Others															
IV. Ending balance of the current period	4,811,165,857.00		8,200,000,000.00		1,208,658,668.08		-32,750,233.99	113,419,751.87	3,576,528,562.66		19,321,064,128.14		37,198,086,733.76	9,606,083,717.42	46,804,170,451.18

2020															
Item	Owner's equity attributable to parent company												Minority equity	Total owner's equity	
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	General risk provision	Undistributed profit	Others			Subtotal
		Preferred stock	Perpetual bonds	Others											
I. Balance of the end of the last year	4,811,165,857.00		2,000,000,000.00		4,159,538,082.19		9,953,082.58		3,164,742,776.43		17,975,791,829.92		32,121,191,628.12	2,266,246,760.76	34,387,438,388.88
Plus: Changes in accounting policies											-169,953.90		-169,953.90	-163,289.04	-333,242.94
Early error correction															
I. Business consolidation under control					2,291,863,903.32			82,671,061.69			706,687,333.03		3,081,222,298.04	4,855,035,446.35	7,936,257,744.39
Others															
II. Beginning balance of this year	4,811,165,857.00		2,000,000,000.00		6,451,401,985.51		9,953,082.58	82,671,061.69	3,164,742,776.43		18,682,309,209.05		35,202,243,972.26	7,121,118,918.07	42,323,362,890.33
III. Change amount of this period ("-" for decrease)			1,200,000,000.00		-3,924,801,335.42		-57,335,983.09	12,983,394.86	224,206,066.70		-78,168,875.36		-2,623,116,732.31	-506,766,089.64	-3,129,882,821.95
(I) Total comprehensive income							-57,335,983.09				2,280,635,743.62		2,223,299,760.53	479,574,802.01	2,702,874,562.54
(II) Input and reduction of owner's capital			1,200,000,000.00		-3,924,801,335.42						-76,808,449.16		-2,801,609,784.58	-469,021,289.66	-3,270,631,074.24
1. Common stocks invested by the owners					9,220,036.64								9,220,036.64	753,879,017.90	763,099,054.54
2. Capital invested by other equity instrument holders			1,200,000,000.00										1,200,000,000.00		1,200,000,000.00
3. Amount of share-based payment included in					18,429,300.00								18,429,300.00		18,429,300.00

owner's equity															
4. Others.					-3,952,450,672.06						-76,808,449.16		-4,029,259,121.22	-1,222,900,307.56	-5,252,159,428.78
(III) Profit distribution									224,206,066.70		-2,281,996,169.82		-2,057,790,103.12	-530,311,064.05	-2,588,101,167.17
1. Withdrawal of surplus reserves									224,206,066.70		-224,206,066.70				
2. Withdrawal of general risk reserves															
3. Distribution to owners (or shareholders)											-1,955,138,525.66		-1,955,138,525.66	-530,311,064.05	-2,485,449,589.71
4. Others.											-102,651,577.46		-102,651,577.46		-102,651,577.46
(IV) Internal carry-over of owners' equity															
1. Capital reserve converted into capital (or share capital)															
2. Surplus reserve converted into capital (or share capital)															
3. Surplus reserves covering losses															
4. Carry forward retained earnings of the defined benefit plan changes															
5. Carry forward retained earnings of other comprehensive income															
6. Others															
(V) Special reserves									12,983,394.86				12,983,394.86	12,991,462.06	25,974,856.92
1. Withdrawal in current period									17,611,027.75				17,611,027.75	19,132,340.53	36,743,368.28
2. Use in current period									4,627,632.89				4,627,632.89	6,140,878.47	10,768,511.36
(VI) Others															

IV. Ending balance of the current period	4,811,165,857.00		3,200,000,000.00		2,526,600,650.09		-47,382,900.51	95,654,456.55	3,388,948,843.13		18,604,140,333.69		32,579,127,239.95	6,614,352,828.43	39,193,480,068.38
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Person in charge of the company: Sai Zhiyi

Person in charge of accounting work: Lyu Sizhong

Chief accountant: Zhou Liang

Person in charge of accounting agency: Chen Fang

Statement of Changes in Owners' Equity of Parent Company

January to December in 2021

Unit: Yuan; Currency: CNY

Item	2021										
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total owner's equity
		Preferred stock	Perpetual bonds	Others							
I. Balance of the end of the last year	4,811,165,857.00		3,200,000,000.00		1,902,762,862.20		-48,454,749.94		3,360,606,953.46	16,232,090,812.89	29,458,171,735.61
Plus: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Beginning balance of this year	4,811,165,857.00		3,200,000,000.00		1,902,762,862.20		-48,454,749.94		3,360,606,953.46	16,232,090,812.89	29,458,171,735.61
III. Change amount of this period ("-" for decrease)			5,300,000,000.00		-26,838,758.29		12,444,903.84		187,579,719.53	-319,937,825.65	5,153,248,039.43
(I) Total comprehensive income							12,444,903.84			1,875,797,195.32	1,888,242,099.16
(II) Input and reduction of owner's capital			5,300,000,000.00		-26,838,758.29						5,273,161,241.71
1. Common stocks invested by the owners											
2. Capital invested by other equity			5,300,000,000.00								5,300,000,000.00

instrument holders											
3. Amount of share-based payment included in owner's equity					38,560,600.00						38,560,600.00
4. Others.					-65,399,358.29						-65,399,358.29
(III) Profit distribution									187,579,719.53	-2,195,735,020.97	-2,008,155,301.44
1. Withdrawal of surplus reserves									187,579,719.53	-187,579,719.53	
2. Distribution to owners(or shareholders)										-1,828,243,025.66	-1,828,243,025.66
3. Others										-179,912,275.78	-179,912,275.78
(IV) Internal carry-over of owners' equity											
1. Capital reserve converted into capital (or share capital)											
2. Surplus reserve converted into capital (or share capital)											
3. Surplus reserves covering losses											
4. Carry forward retained earnings of the defined benefit plan changes											
5. Carry forward retained earnings of other comprehensive income											
6. Others											
(V) Special reserves											
1. Withdrawal in current period											

2. Use in current period											
(VI) Others											
IV. Ending balance of the current period	4,811,165,857.00	-	8,500,000,000.00	-	1,875,924,103.91	-	-36,009,846.10	-	3,548,186,672.99	15,912,152,987.24	34,611,419,775.04

Item	2020										
	Paid-in capital (or share capital)	Preferred stock	Perpetual bonds	Others	Capital reserves	Less: Treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total owner's equity
I. Balance of the end of the last year	4,811,165,857.00				3,723,794,637.56		9,953,082.58		3,136,400,886.76	16,060,156,315.89	27,741,470,779.79
Plus: Changes in accounting policies											
Corrections of prior period errors											
Others											
II. Beginning balance of this year	4,811,165,857.00				3,723,794,637.56		9,953,082.58		3,136,400,886.76	16,060,156,315.89	27,741,470,779.79
III. Change amount of this period ("-" for decrease)			3,200,000,000.00		-1,821,031,775.36		-58,407,832.52		224,206,066.70	171,934,497.00	1,716,700,955.82
(I) Total comprehensive income							-58,407,832.52			2,242,060,666.99	2,183,652,834.47
(II) Input and reduction of owner's capital			3,200,000,000.00		-1,821,031,775.36						1,378,968,224.64
1. Common stocks invested by the owners											
2. Capital invested by other equity instrument holders			3,200,000,000.00								3,200,000,000.00
3. Amount of					18,429,300.00						18,429,300.00

share-based payment included in owner's equity											
4. Others.					-1,839,461,075.36						-1,839,461,075.36
(III) Profit distribution									224,206,066.70	-2,070,126,169.99	-1,845,920,103.29
1. Withdrawal of surplus reserves									224,206,066.70	-224,206,066.70	
2. Distribution to owners(or shareholders)										-1,828,243,025.66	-1,828,243,025.66
3. Others										-17,677,077.63	-17,677,077.63
(IV) Internal carry-over of owners' equity											
1. Capital reserve converted into capital (or share capital)											
2. Surplus reserve converted into capital (or share capital)											
3. Surplus reserves covering losses											
4. Carry forward retained earnings of the defined benefit plan changes											
5. Carry forward retained earnings of other comprehensive income											
6. Others											
(V) Special reserves											
1. Withdrawal in											

current period											
2. Use in current period											
(VI) Others											
IV. Ending balance of the current period	4,811,165,857.00	-	3,200,000,000.00	-	1,902,762,862.20	-	-48,454,749.94	-	3,360,606,953.46	16,232,090,812.89	29,458,171,735.61

Person in charge of the company: Sai Zhiyi

Person in charge of accounting work: Lyu Sizhong

Chief accountant: Zhou Liang

Person in charge of accounting agency: Chen Fang

III. Company Overview

1. Company profile

√Applicable □Not applicable

Shandong Hi-Speed Co., Ltd. (hereinafter referred to as "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 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 High-Speed Co., Ltd. (now renamed as Shandong Hi-Speed Co., Ltd.) (hereinafter referred to as "Shandong Hi-Speed Group") and Huajian Traffic Economic Development Center of the Ministry of Communications (now renamed as China Merchants Expressway Network & Technology Holdings Co., Ltd.) as initiators, among which Shandong Hi-Speed 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, according to the document ZJFXZ [2002] No. 6 issued by China Securities Regulatory Commission, the company issued 505,000,000 ordinary shares to the public. After the issuance, the company's total share capital changed to 3,363,800,000 shares, and the share capital structure changed to: Shandong Hi-Speed Co., Ltd. held 2,097,050,000 shares, accounting for 62.34%; Huajian Transportation Economic Development Center held 761,750,000 shares, accounting for 22.65%, and 505,000,000 social public shares, accounting for 15.01%.

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

On July 5, 2011, in accordance with the Reply on Approving Shandong High-Speed Company Limited of issuing shares to Shandong Hi-Speed Group Co., Ltd. to Purchase Assets (ZJXK [2011] No. 1007) and the Reply on Approving the Exemption from the Obligation of Shandong Hi-Speed Group Co., Ltd. to Acquire Shares of Shandong Hi-Speed Co., Ltd. (ZJXK [2011] No. 1008) issued by China Securities Regulatory Commission, the company issued 1,447,365,857 shares to Shandong Hi-Speed Group Co., Ltd. non-publicly.

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

As of December 31, 2021, the total share capital of the company is 4,811,165,857 shares, all of which are tradable shares with unlimited sales conditions.

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

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

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

Name of legal representative: Sai Zhiyi

The Group is mainly engaged in the investment, operation and management of toll roads, bridges and tunnel infrastructure and related businesses. The Group is also engaged in expressway service areas and supporting services, property management, investment and operation management of rail transit facilities. 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. (Any business that needs to be approved by law can only be carried out after approved by relevant authorities)

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

Name of road section	Road Sections	Approved Expiry Date of Toll Collection	Toll Mileage (Kilometer)

Jinan-Qingdao Expressway	Jinan-Qingdao Expressway (Section in Shandong of Qingdao-Yinchuan Expressway)	December 15, 2044	318.50
Relevant sections of Beijing-Taibei Expressway	Dezhou-Qihe Section of Beijing-Fuzhou Expressway	July 15, 2046	93.72
	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 of Beijing-Shanghai Highway (subordinate line)	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
Tai'an-Qufu section of National Highway G104	Tai'an-Qufu First-class Highway of National Highway G104	November 15, 2025	64.17
Lijin Yellow River Highway Bridge	Lijin Yellow River Highway Bridge	September 25, 2029	1.35
Xuyu Expressway	Xuchang-Yuzhou Expressway in Henan	August 28, 2036	39.07
Jijin Expressway	Jiyuan-Jincheng (provincial boundary) Section of Erenhot-Guangzhou Expressway	September 9, 2038	20.56
Hengshao Expressway	Heyang-Shaoyang Expressway in Hunan	December 29, 2040	132.06
Wujing Freeway	Wuhan-Jingmen Expressway in Hubei	May 28, 2040	183.21
Luzhou-Chongqing Expressway	Sichuan Chengdu-Chongqing Ring Road Hegiang (Chongqi-Sichuan border) to Naxi section expressway	June 27, 2043	73.15
Jinan-Heze Expressway	Jinan-Heze Expressway Pancun-Dayang Section, Dayang-Wanguantun Section	September 22, 2034	153.6
Dezhou-Shangrao Expressway	Dezhou-Shangrao Expressway Liaocheng-Fanxian County (Shandong-Henan boundary) Section	November 15, 2040	68.94
Xinnan Expressway	Shen County-Nanle (Shandong-Henan boundary) Expressway	September 27, 2043	18.3

2. Scope of consolidated financial statements

√Applicable □Not applicable

The consolidated financial statements of the company covers 74 companies including Shandong Hi-Speed Investment Development Co., Ltd. and Shandong Hi-Speed Industrial Development Co., Ltd. Compared with the previous year, 5 subsidiaries within the scope of the merger are added due to enterprise merger under the same control this year, and 37 subsidiaries within the scope of the merger are added due to enterprise merger not under the same control, and Bohai Trust 2021 Jinsui B High-Speed Shares Assembled Funds Trust Programme is added due to new establishment. A shareholder withdrew from Shandong Hi-Speed Changying Equity Investment Management Co., Ltd., so that the company became its controlling shareholder and incorporated it into the scope of merger.

Please refer to the relevant contents of "VIII. Changes in Consolidation Scope" and "IX. Interests in Other Main Bodies" in these notes for details.

IV. Basis for Preparation of Financial Statements

1. Basis for preparation

The financial statements of the Group are prepared on the basis of continuous operation according to the actual transactions and events and in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance and relevant regulations, as well as based on the accounting policies and accounting estimates stated in the note "v. Important Accounting Policies and Accounting Estimates".

2. Continuous operation

Applicable Not applicable

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

V. Important accounting policies and accounting estimates

Notes on specific accounting policies and accounting estimates:

Applicable Not applicable

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

1. Statement of compliance with the enterprise accounting standards

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

Fiscal year: from January 1 to December 31 of the Gregorian calendar.

3. Operating 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 treatment method for the business combination under and not under the same control

Applicable Not applicable

The assets and liabilities obtained by the Group, as the Combining Party, in the business merger under the common 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 noncash 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. Preparation methods of the 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 arrangements and accounting treatment method of 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

The term “cash” in the cash flow statement of the Group refers to the cash on hand and the deposits that are available for payment at any time. The term “cash equivalents” in the cash flow statement refers to the investments whose holding period is no longer than three months, that are very liquid and easy to be converted into a known amount of cash, and whose risk of changes in the value is very low.

9. Conversion of foreign currency transactions and foreign currency statement translation

Applicable Not applicable

For foreign currency transactions, the Group converted the amount of foreign currency as the amount of the recording currency.

In the foreign currency transactions of the Group, the foreign currency amount is converted into CNY amount at the spot exchange rate on the transaction date. On balance sheet date, foreign currency monetary items shall be converted into CNY at the spot exchange rate on balance sheet date. The translation balance generated shall be directly recorded into current profit and loss except that the exchange balance generated by foreign currency special borrowings borrowed for purchase, construction or production of assets meeting capitalization conditions shall be handled according to the principle of capitalization.

10. Financial instruments

Applicable Not applicable

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

(1) Financial assets

1) Classification, recognition bases, and measuring methods of financial assets

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

The Group classifies the financial assets that meet the following conditions as the financial assets

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

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

The Group recognizes interest income in accordance with the actual interest method. 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) For the recognition basis and measurement method of 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 such financial assets meets the conditions for derecognition, the total book value of such financial assets shall be amortized to the derecognized part and the remaining part according to their own relative fair value, and the difference between the amortized total book value of such financial assets and the sum of the consideration received due to the transfer and the amount corresponding to the derecognized part (according to the stipulations of the contract clauses involving the transferred financial assets, the cash flows incurred on a certain day only include the principal repaid and the interest of the outstanding principal paid) in the accumulated amount of the changes in fair value that was included in the other comprehensive income directly shall be included in the current profits and losses.

(2) Financial liabilities

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

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

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

Subsequent measurement is implemented for other financial liabilities by actual rate method according to amortized costs. The Group classifies financial liabilities as the financial liabilities measured at amortized cost, except for the following: ① The financial liabilities measured at fair value and whose changes are recorded in the current profit and loss, including the transaction financial liabilities (including the derivatives belonging to the financial liabilities), and the financial liabilities designated to be measured at fair value and whose changes are recorded in current profit and loss. ② The financial liabilities formed by transfer of the financial assets that do not meet the conditions for de-recognition or the continuous involvement of the transferred financial assets. ③ The financial guarantee contracts that do not fall under ① or ② above, and the loan commitments that do not fall under ① above to borrow money at a below-market rate.

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

2) 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) Determination methods of fair value of financial assets and financial liabilities

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 assets and financial liabilities

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

(5) Distinction between financial liabilities and equity instruments and relevant treatment methods

The Group differentiates between financial liabilities and equity instruments according to following principles: (1) If the Group cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, such contractual obligations meet the definition of a financial liability. Although some financial instruments do not explicitly contain terms and conditions for the obligation to deliver cash or other financial assets, it is possible that contractual obligations may be indirectly formed through other terms and conditions. (2) If a financial instrument 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

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

When 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:

Panel name	Basis for determining the portfolios
Related party combination	All related party customers
Third party combination	All third parties

For the notes receivable, 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.

12. Accounts receivable The determination method and accounting disposal method of expected credit loss of accounts 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 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 accounts 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:

Panel name	Basis for determining the portfolios
Related party combination	All related party customers
Third party combination	All third parties

For the accounts receivable, 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.

13. Receivable financing

Applicable Not applicable

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

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

Applicable Not applicable

The Group measures 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 portfolio is as follows:

Item	Basis for determining the portfolios
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:

Account receivable age	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. Inventory

Applicable Not applicable

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

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

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

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

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

Perpetual inventory system of the Group shall be applied except for real estate development costs and products development.

16. Contract assets

(1). Recognition methods and standards of contract assets

Applicable Not applicable

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

(2). Determination methods and accounting treatment methods of expected credit losses of contract assets

Applicable Not applicable

The determination method of the expected credit loss of the contractual assets shall refer to the above description of 11. Notes receivable and accounts receivable.

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

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

17. Held-for-sale assets

Applicable Not applicable

18. Debt investment

(1). Determination and accounting treatment methods of expected credit losses of debt investments

Applicable Not applicable

The determination method of ECL of the Group's debt investment shall refer to the above 14. Description of other receivables related content.

19. Other debt investment

(1). Determination and accounting treatment methods of expected credit losses of other debt investments

Applicable Not applicable

The determination method of ECL of the Group's other debt investment shall refer to the above 14. Description of other receivables related content. The Group adjusts other comprehensive income while including the impairment loss or gain in the current profits and losses.

20. Long-term receivables

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

Applicable Not applicable

The Group accounts for long-term receivables of enterprises, including receivables arising from the financial lease, receivables arising from the sale of goods and provision of services with the nature of financing by deferred method, etc. The long-term equity that essentially constitutes the net investment in the investee is also accounted for through this account.

The determination method of ECL of the Group's long-term receivables shall refer to the above 14. Description of other receivables related content.

21. Long-term equity investment

Applicable Not applicable

The long-term equity investment of the Group mainly includes the investment in the subsidiaries, the investment in the associated enterprises, and the investment in the joint enterprises.

The judgment basis of the Group for joint control is that all the participants or their combination controls the arrangement collectively and that the relevant activity policies of the arrangement must be agreed unanimously by these participants.

When the Group directly or indirectly owns more than 20% 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. For example, if the equity of the invested entity under the same control is acquired step by step through multiple transactions, and the business combination is finally formed, which belongs to the package deal, the Group will take all transactions as one transaction obtaining the control right for accounting purpose. If not, on the date of combination, the initial investment cost of long-term equity investment is determined based on the share of the book value of the combined party's net assets in the consolidated financial statement of the ultimate parent entity after combination. The capital reserve shall be adjusted by the difference between the initial investment cost and the book value of the long-term equity investment before the combination plus the book value of the new consideration on the combination date. If the capital reserve is insufficient to offset, the retained earnings shall be offset.

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

If the company obtains the equity of the invested entity not under the same control step by step through multiple transactions, and finally forms the business combination, it shall supplement and disclose the disposal method of long-term equity investment in the financial statement of the parent company during the reporting period when the right of control is obtained. For example, if the equity of the invested entity not under the same control is acquired step by step through multiple transactions, and the business combination is finally formed, which belongs to the package deal, the Group will take all transactions as one transaction obtaining the control right for accounting purpose. If it is not a "package deal", the sum of book value of originally held equity investment plus the added investment cost shall be taken as the initial cost of the long-term equity investment accounted with 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 purchase date is specified as financial assets measured at fair value and whose changes are included in other comprehensive incomes, the cumulative gains or losses of this equity originally included in other comprehensive incomes shall be transferred from other comprehensive incomes and included in retained incomes. If it is financial asset measured at fair value and whose changes are included in the current profit and loss, the gains or losses of this equity originally included in the changes in fair value recognized in profit or loss have no need to be transferred to investment incomes. If the equity held before the purchase date is invested by other equity instruments, the cumulative fair value changes of the equity instrument investment in other comprehensive income before the purchase date are transferred to retained incomes.

In addition to the above-mentioned long-term equity investment obtained through business combination, for the long-term equity investment gained by payment in cash, the acquisition price paid actually is regarded as the investment cost. For any long-term equity investment, if acquired by issuance of equity securities, its investment cost shall be the fair value of issued equity securities. The long-term equity investment made by investors shall be taken as the investment cost at the value agreed in the investment contract or agreement. The company, if having long-term equity investment obtained through debt restructuring, non-monetary asset exchange, etc., shall disclose the method for determining the investment cost in accordance with the provisions of relevant accounting standards for enterprises and in combination with the actual situation of the company.

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.

As to long-term equity investment accounted by the cost method for subsequent measurement, when additional investment is made, the book value of the long-term equity investment cost shall be increased according to the fair value of the additional investment cost and related transaction costs incurred. 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.

The book value of the long-term equity investment accounted in the equity method in the subsequent measurement shall be adjusted (increased or decreased) according to the changes in the owners' equity of the invested entity. The shares in the net profits and losses of the invested entity shall be determined based on the fair value of all the identifiable assets of the invested entity when the investment is made, according to the accounting policies and accounting period of the Group, and after the part attributable to the invested entity among the profits and losses on the internal transactions between the company and the associated enterprises as well as the joint enterprises is offset according to the shareholding ratio and the net profit of the invested entity is adjusted.

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. For long-term equity investment calculated by using equity law, other comprehensive incomes calculated by using original equity law shall be applied with accounting treatment on the basis the same as relevant assets or liabilities directly disposed of the invested organization upon termination of calculation with equity method, and the owner's equity recognized on account of the change of other owner's equity of the invested party other than the net profit and loss, other comprehensive incomes and profit distribution shall be totally transferred into the current investment income.

Where GDG loses the joint control or significant impact on the investee due to the disposal of part of equity investment, the remaining equity after disposal shall be recognized as financial instruments and calculated with measurement standards, and the difference between its fair value and book value upon loss of joint control or significant impact shall be included in the current profits and losses. Other comprehensive incomes recognized from calculation of original equity investment with equity method shall be applied with accounting treatment on the basis the same as relevant assets or liabilities directly disposed of the invested organization upon termination of calculation with equity method and carried over at a ratio, and the owner's equity recognized on account of the change of other owner's equity of the invested party other than the net profit and loss, other comprehensive incomes and profit distribution shall be transferred into the current investment income at a ratio.

If the control over the investee is lost due to the disposal of part of the long-term equity investment and the residual equity after disposal can exercise joint control or exert significant influence on the investee, it shall be accounted by the equity method instead. The difference between the book value of the disposed equity and its disposal consideration shall be included in the investment income, and the residual equity shall be deemed to be accounted and adjusted by the equity method since it is obtained; if the residual equity after disposal cannot exercise joint control or exert significant influence on the investee, it shall be recognized by financial instruments and accounted in accordance with the relevant provisions on standards of measurement. The difference between the book value of the disposed equity and its disposal consideration shall be included in the investment income. The difference between the fair value and the book value of the residual equity on the date of losing control shall be included in the current profits and losses.

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

22. Investment real estate

(1). If the cost measurement model is used:

Depreciation or amortization method

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	Depreciation period (year)	Estimated residual value rate(%)	Annual depreciation rate(%)
Housing and building	20-40	0-5	2.38-5.00

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 derecognised; all other subsequent expenditures are included in the current profit or loss whenever incurred.

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

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

(2). Depreciation method

Applicable Not applicable

Category	Depreciation period (year)	Ratio of remaining value	Annual depreciation rate
Road property	25-100	3-5	0.95-2.43
Housing and buildings	3-40	0-5	2.38-33.33
Mechanical equipment	3-25	0-5	3.8-33.33
Transport equipment	3-15	3-5	6.33-32.33
Electronic, electrical and communication equipment	3-30	0-5	3.17-33.33
Instruments and standard measuring apparatus	3-10	3-5	9.5-32.33
Other Equipment	1-15	0-5	6.33-100.00

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 of fixed assets through finance lease

Applicable Not applicable

24. Construction in progress

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. Where the acquisition and construction or production of an asset eligible for capitalization is interrupted abnormally and the interruption period has lasted for more than 3 months, capitalization of borrowing cost shall be suspended.

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

26. Biological assets

Applicable Not applicable

27. Oil and gas assets

Applicable Not applicable

28. Right-of-use assets

Applicable Not applicable

Right-of-use assets refers to the right of the Group as the lessee to use the leased assets during the lease term.

(1) Initial measurement

On the beginning date of the lease term, the Group initially measures the right-of-use assets according to the cost. The cost includes the following four items: ① Initial measurement amount of lease liabilities; ② For the lease payment paid on or before the beginning of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed shall be deducted; ③ The initial direct expenses incurred are the incremental costs incurred in reaching the lease; ④ The costs expected to incur for dismantling and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the state agreed in the lease terms, except those incurred for the production of inventories.

(2) Subsequent measurement

Since the date of lease term, the Group has adopted the cost model to carry out follow-up measurement of the right-of-use assets, that is, using cost to deduct cumulative depreciation and cumulative impairment losses to measure the right-of-use assets. If the Group re-measures the leased liabilities in accordance with the relevant provisions of the lease criteria, the book value of the right-of-use assets should be adjusted accordingly.

(3) Depreciation of right-of-use assets

From the beginning of the lease term, the Group accrues depreciation for the right-of-use assets. The

depreciation of right-of-use assets are usually accrued from the month when the lease term begins. The amount of depreciation accrued shall be included in the cost of relevant assets or current profits and losses according to the purpose of the right-of-use assets.

When determining the depreciation method of right-of-use assets, the Group makes a decision according to the expected consumption mode of economic benefits related to right-of-use assets, and accrue the depreciation of right-of-use assets by the straight-line method.

The Group follows the following principles when determining the period of depreciation of right-of-use assets: If it can be reasonably determined that the ownership of the leased assets is obtained at the expiration of the lease term, depreciation shall be accrued within the remaining service life of the leased assets; if it is impossible to reasonably determine that the ownership of the leased assets can be obtained at the expiration of the lease term, depreciation shall be accrued within the shorter one between the lease term and the remaining service life of the leased assets.

(4) Impairment of right-of-use assets

If the right-of-use asset is impaired, the Group will make subsequent depreciation according to the book value of the right-of-use assets after deducting the impairment loss.

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, environmental protection project franchise rights, land use rights, mining rights, exploration rights, proprietary technology, 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 assets 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 Group shall be accounted as the acquisition cost of the toll road franchise rights; at the expiration of the franchise rights, the safety facilities, communication equipment and charging facilities that need not be returned to the government shall be accounted as fixed assets.

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

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

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

S/N	Type of asset	Expected service life (year)	Amortization method	Remark
1	Land use right	18-40	Straight-line method	
2	Office software	2-10	Straight-line method	
3	Right to use parking space	10-30	Straight-line method	
4	Proprietary technology	10	Straight-line method	
5	Environmental protection project franchise rights	Business period stipulated in the contract	Straight-line method	

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

(2). Accounting policies of internal research and development expenditures

Applicable Not applicable

30. Impairment of long-term assets

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, right-of-use assets 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 loss shall deduct and be amortized to the book value of the goodwill of the asset group or the combination of asset groups, and then deduct the book value of other assets as per the proportion of book value of various assets other than the goodwill in the asset group or the combination of asset groups.

Once the impairment loss above is recognized, it shall not be reversed in the subsequent accounting period.

31. Long-term unamortized 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 deferred expense cannot make benefit for the future accounting period, all the amortized value of the unamortized item shall be transferred into the current profits and losses.

32. Contract liabilities

(1). Recognition methods of contract liabilities

Applicable Not applicable

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

33. Employee compensation

(1). Accounting treatment methods for short-term compensation

Applicable Not applicable

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

Short term salary mainly includes employee salary, bonus, allowance and subsidy, employee welfare,

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

(2). Accounting treatment methods for post-employment benefits

√Applicable Not applicable

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

(3). Accounting treatment methods for termination benefits

√Applicable Not applicable

For any dismissal benefit paid to employees, employees' compensation liabilities arising from such dismissal benefit shall be recognized on the following days (whichever is earlier) and included in the profit and loss of the current period: (1) when the company may not unilaterally revoke the termination benefit provided pursuant to a labor relationship dismissal scheme or redundancy proposal; (2) when the company has recognized the cost related to a reorganization involving the payment of termination benefit.

(4). Accounting treatment methods of other long-term employee benefits

√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 cost.
- (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

(1) Initial measurement

The Group initially measures the lease liabilities according to the present value of the unpaid lease payments at the beginning of the lease term.

1) Lease payment

Lease payments refer to the payments made by the Group to the lessor related to the right to use the leased assets during the lease term, including: ① For the fixed payment and the actual fixed payment, if there is lease incentive, the relevant amount of lease incentive shall be deducted; ② Variable lease payments depending on the index or ratio, which is determined at the initial measurement according to the index or ratio on the beginning date of the lease term; ③ The exercise price of the purchase option when the Group reasonably determines that the purchase option will be exercised; ④ Payment for exercising the option to terminate the lease when the lease term reflects that the Group will exercise the option to terminate the lease; ⑤ The amount expected to be paid according to the guaranteed residual value provided by the Group.

2) Discount rate

When calculating the current value of the lease payment, the Group uses the interest rate implicit in lease as the discount rate. The interest rate refers to the interest rate which makes the sum of the current value of the leaser's lease collection amount and the present value of the non-guaranteed balance be equivalent to the sum

of the fair value of the lease asset and the lessor's initial direct costs. If the Group cannot determine the interest rate implicit in lease, the incremental borrowing interest rate is used as a discount rate. The incremental borrowing interest rate refers to the interest rate that must be paid by the Group when borrowing funds with similar mortgage condition during the similar period to obtain assets that are close to the value of the right-of-use assets in a similar economic environment.

(2) Subsequent measurement

After the beginning date of the lease term, the Group makes subsequent measurement of the lease liabilities according to the following principles: ① Increase the carrying amount of the lease liabilities when recognizing the interest on the lease liabilities; ② Reduce the carrying amount of the lease liabilities when the lease payment is paid; ③ When the lease payment changes due to revaluation or lease change, the book value of the lease liabilities shall be remeasured.

The interest expense of the lease liabilities during each period of the lease term shall be calculated at the fixed periodic interest rate and included in the current profits and losses, except those that should be capitalized. The periodic interest rate refers to the discount rate adopted by the Group for the initial measurement of lease liabilities, or the revised discount rate adopted by the Group when the lease liabilities need to be remeasured according to the revised discount rate due to changes in lease payments or lease changes.

(3) Re-measurement

After the beginning date of the lease term, in case of the following circumstances, the Group remeasures the lease liabilities according to the present value calculated by the changed lease payment, and adjusts the book value of the right-of-use assets accordingly. The book value of the right-of-use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the Group will include the remaining amount into the current profits and losses. ① Changes in substantial fixed payments; ② Changes in the estimated amount payable of guaranteed residual value; ③ Changes in the index or ratio used to determine lease payment; ④ Changes in the evaluation results of the purchase option; ⑤ Changes in the evaluation results or actual exercise of the option to renew or terminate the lease.

35. Anticipation liability

Applicable Not applicable

When the business related to external guarantees, discounts of commercial acceptance bills, pending litigation or arbitration, and other contingencies meets the following conditions simultaneously, the Group recognizes it as a liability: this liability is the current obligation of the Group; the fulfillment of this obligation is likely to cause the outflow of economic benefits from the enterprise; the amount of the obligation can be measured reliably.

According to the arrangement of the toll road franchise rights granted to the Group by the government and obtained by the Group by signing the toll right transfer agreement, the Group has the responsibility to maintain the road conditions of the toll road in a good specific state within the period of the franchise rights. For the current obligations formed arising from road condition quality assurance, when the performance of these obligations may result in outflow of the economic benefits, and the amount can be reliably measured, they are recognized as the expected liabilities.

The estimated liabilities are initially measured at the best estimate of the necessary expenditures for the performing of current obligation based on the comprehensive consideration of risks, uncertainties, time value of money and other factors related to the contingencies. On the balance sheet date, the company shall review the book value of the estimated liabilities. If there is unambiguous evidence to show that the book value cannot reflect the current optimal estimate, the book value shall be adjusted according to the current optimal estimate.

36. Share-based payment

Applicable Not applicable

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

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

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

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

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. Revenue

(1). Accounting policies used for revenue recognition and measurement

Applicable Not applicable

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

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

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

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

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

(1) While the Group is performing the contract, the customer obtains and consumes the economic benefits brought by the Group's performance.

(2) Customers can control the products under construction during the Group's performance.

(3) The goods produced in the process of the Group's performance have irreplaceable uses, and the Group is entitled to collect money for the performance part that has been completed so far during the whole contract period.

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

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

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

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

(2). Accounting policy differences for revenue recognition caused by different business models adopted by similar businesses

Applicable Not applicable

39. Contract costs

Applicable Not applicable

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

The Group's assets related to contract costs include contract performance costs and contract acquisition costs.

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

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

(2) Amortization of assets related to contract costs

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

(3) Impairment of assets related to contract costs

When recognizing the impairment loss of assets related to the contract cost, the Group shall first recognize the impairment loss of other assets related to the contract and recognized in accordance with other

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

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

40. Government subsidy

Applicable Not applicable

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

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

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

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

Where the Group obtains policy-based preferential loan interest discounts, there are two cases where the Ministry of Finance allocates the interest discount funds to the lending bank and the Ministry of Finance directly allocates the interest discount funds to the Group, and the accounting treatment is carried out according to 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) If the Ministry of Finance appropriates the interest discount funds directly to the Group, the Group will offset related borrowing costs with corresponding interest discount.

If the government subsidies recognized by the Group are required to be returned, the accounting treatment shall be conducted according to the following provisions in the current period that needs to be returned:

1) Where related deferred income exists, the book value of related deferred income shall be offset and the exceeding part shall be included in the current profits and losses.

2) In other cases, it shall be directly included in 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 tax law, the corresponding deferred income tax assets shall be recognized. Temporary differences arising from initial recognition of 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 treatment method for operating lease

Applicable Not applicable

(2). Accounting treatment of financial lease

Applicable Not applicable

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

Applicable Not applicable

(1) Identification of lease

Lease refers to a contract in which the lessor transfers the right to use assets to the lessee for consideration within a certain period of time. On the contract commencement date, the Group evaluates whether the contract is a lease or includes a lease. If one party to the contract transfers the right to control the use of one or more identified assets within a certain period in exchange for consideration, the contract is a lease or includes a lease. In order to determine whether the contract transfers the right to control the use of the identified assets within a certain period, the Group evaluates whether the customers in the contract have the right to obtain almost all the economic benefits arising from the use of the identified assets during the use period, and have the right to dominate the use of the identified assets during the use period.

If the contract contains multiple individual leases at the same time, the Group will split the contract and conduct accounting treatment for each individual lease. If the contract includes both lease and non-lease parts, the Group will split the lease and non-lease parts for accounting treatment.

(2) As the lessee, the Group

On the beginning date of the lease term, the Group recognizes the right to use assets and lease liabilities for the lease. See "28. Right-of-use assets" and "34. Lease liabilities" for the recognition and measurement of right-of-use assets and lease liabilities.

1) Lease change

Lease change refers to the change of lease scope, lease consideration and lease term beyond the terms of the original contract, including increasing or terminating the right of use of one or more leased assets, extending or shortening the lease term specified in the contract, etc. The effective date of the lease change refers to the date when both parties reach an agreement on the lease change.

If the lease changes and the following conditions are met at the same time, the Group will treat the lease change as an individual lease for accounting treatment: ① The lease change expands the lease scope or extends the lease term by increasing the use right of one or more leased assets; ② The increased consideration is equivalent to the amount of the separate price for most of the expansion of the lease scope or extension part of lease term adjusted according to the conditions of the contract.

If the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Group allocates the consideration of the changed contract in accordance with the relevant provisions of the lease criteria and re-determines the lease term after the change; the revised discount rate is used to discount the changed lease payment to re-measure the lease liabilities. When calculating the present value of the lease

payment after change, the Group adopts the interest rate implicit in lease during the remaining lease period as the discount rate; if the interest rate implicit in lease during the remaining lease period cannot be determined, the Group adopts the lessee's incremental loan interest rate on the effective date of the lease change as the discount rate. With regard to the impact of the above lease liabilities adjustment, the Group makes accounting treatment under the following circumstances: ① If the lease scope is reduced or the lease term is shortened due to the lease change, the lessee shall reduce the book value of the right-to-use assets, and include the relevant gains or losses of lease partially or wholly terminated in the current profits and losses. ② If the lease liabilities are remeasured due to other lease changes, the lessee shall adjust the book value of the right-of-use assets accordingly.

2) Short-term leases and low value asset leases

The Group chooses not to recognize the right-of-use assets and lease liabilities for short-term leases with a lease term of no more than 12 months and low value asset leases with a lower value when the individual leased asset is a new asset. The Group includes the lease payments for short-term leases and low-value asset leases in the relevant asset costs or current profits and losses by the straight-line method in each period of the lease term.

(3) As the lessor, the Group

On the basis of the (1) assessed contract being the lease or including lease, the Group, as the lessor, divide the leases into financial lease and operating lease on the date of the lease.

If a lease transfers substantially all the risks and rewards related to the ownership of the leased assets, the lessor classifies the lease as a financial lease, and other leases other than financial leases are classified as operating leases.

Where a lease is under one or more of the following circumstances, the Group usually classifies it as a financial lease: ① At the expiration of the lease term, the ownership of the leased asset is transferred to the lessee; ② The lessee has the option to purchase the leased asset, and the purchase price entered into is low enough compared with the fair value of the leased asset when the option is expected to be exercised, so it can be reasonably determined that the lessee will exercise the option on the lease commencement date; ③ Although the ownership of the asset is not transferred, the lease term accounts for most of the service life of the leased asset (not less than 75% of the service life of the leased asset); ④ On the lease commencement date, the present value of the lease receipts is almost equal to the fair value of the leased asset (not less than 90% of the fair value of the leased asset); ⑤ The leased assets are special in nature, and only the lessee can use them without major transformation. If one or more of the following signs exist in a lease, the Group may also classify it as a financial lease: ① If the lessee cancels the lease, the losses caused to the lessor by the cancellation of the lease shall be borne by the lessee; ② The gains or losses arising from the fluctuation of the fair value of the residual value of assets belong to the lessee; ③ The lessee has the ability to continue the lease to the next period at a rent far below the market level.

1) Accounting treatment of financial lease

① Initial measurement

On the beginning date of the lease term, the Group recognizes the financial lease receivables for the financial lease and terminates the recognition of the financial lease assets. When the Group initially measures the financial lease receivables, the net lease investment is taken as the entry value of the financial lease receivables.

The net lease investment is the sum of the residual value not guaranteed and the present value of the lease receipts not received on the beginning date of the lease term discounted at the interest rate implicit in lease. Lease receipts refer to the amount that the lessor should collect from the lessee due to the assignment of the right to use the leased assets during the lease term, including: a. Fixed payments and substantial fixed payments to be paid by the lessee; if there is lease incentive, the relevant amount of lease incentive shall be deducted; b. Variable lease payments depending on the index or ratio, which are determined at the initial measurement according to the index or ratio on the beginning date of the lease term; c. The exercise price of the purchase option, provided that it is reasonably determined that the lessee will exercise the option; c. The amount to be paid by the lessee to exercise the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease; e. The guaranteed residual value provided by the lessee, the party related to the lessee and the independent third party with the economic ability to perform the guarantee obligations to the lessor.

② Subsequent measurement

The Group calculates and recognizes the interest income of each period within the lease term at a fixed periodic interest rate. The periodic interest rate refers to the revised discount rate determined according to relevant regulations when the net investment in the lease is determined by the implicit discount rate (in case of sublease, if the interest rate implicit in lease of sublease cannot be determined, the discount rate (adjusted according to the initial direct costs related to sublease) of the original lease shall be adopted), or the change of the financial lease is not accounted for as a separate lease and meets the conditions that if the change takes effect on the lease beginning date, the lease will be classified as a financial lease.

③ Accounting treatment of lease change

If the financial lease changes and the following conditions are met at the same time, the Group will treat the change as an individual lease for accounting treatment: a. The change expands the lease scope by increasing the use right of one or more leased assets; b. The increased consideration is equivalent to the amount of the separate price for most of the expansion of the lease scope adjusted according to the conditions of the contract.

If the change of a financial lease is not accounted for as an individual lease and meets the conditions that if the change takes effect on the lease commencement date, the lease will be classified as an operating lease, the Group will carry out accounting treatment for it as a new lease from the effective date of the lease change, and take the net lease investment before the effective date of the lease change as the book value of the leased assets.

2) Accounting treatment method for operating lease

① Treatment of rent

During each period of the lease term, the Group recognizes the lease receipts from operating leases as rental income with the straight-line method.

② Incentive measures provided

If a rent-free period is provided, the Group distributes the total rent in the whole lease period without deducting the rent-free period by the straight-line method, and the rent income shall be recognized during the rent-free period. If the Group bears some expenses of the lessee, the expenses shall be deducted from the total rental income and distributed within the lease term according to the balance of rental income after deduction.

③ Initial direct costs

The initial direct costs related to operating leases incurred by the Group shall be capitalized to the cost of the leased object assets and included in the current profits and losses by stages on the same recognition basis as the rental income during the lease term.

④ Depreciation

For the fixed assets in operating lease assets, the Group accrue the depreciation with the depreciation policy of similar assets; other operating lease assets are amortized with a systematic and reasonable method.

⑤ Variable lease payment

Variable lease payments obtained by the Group in connection with the operating lease that are not included in lease receipts are included in the current profits and losses when actually incurred.

⑥ Change of operating lease

In case of any change in the operating lease, the Group will treat it as a new lease for accounting treatment from the effective date of the change, and regard it as the receipt of the new lease with the lease receipts received in advance or receivable related to lease before change.

43. Other important accounting policies and accounting estimates

Applicable Not applicable

44. Changes in important accounting policies and accounting estimates**(1). Changes in important accounting policies**

Applicable Not applicable

Contents and reasons for the changes of accounting policies	Approval procedure	Remarks (Description and Amount of Affected Important Statement Entries)
On December 7, 2018, the Ministry of Finance promulgated the revised "Accounting Standard for Business Enterprises No. 21 - Lease". The company has implemented the above standards since January 1, 2021, and made corresponding adjustments to the financial statements on January 1, 2021 in accordance with the provisions on convergence of the above standards.	CK [2018] No. 35	

Other explanations

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 lease standard for the first time

Applicable Not applicable

Consolidated Balance Sheet

Unit: Yuan Currency: CNY

Item	December 31, 2020	January 12, 2021	Adjustment
Current assets:			
Monetary funds	2,335,519,595.01	2,335,519,595.01	
Settlement reserve			
Funds lent			
Trading financial assets	502,683,295.89	502,683,295.89	
Derivative financial assets			
Notes receivable	78,553,471.98	78,553,471.98	
Accounts receivable	587,672,073.44	587,672,073.44	
Receivable financing	150,364,832.63	150,364,832.63	
Advance payments	147,336,622.38	146,907,249.37	-429,373.01
Premiums receivable			
Reinsurance accounts receivable			
Receivable reserve for reinsurance contract			
Other receivables	4,267,239,443.54	4,267,239,443.54	
Including: interest receivable			
Dividends receivable	75,037,985.75	75,037,985.75	
Redemptory monetary capital for sale			
Inventory	1,394,258,232.45	1,394,258,232.45	
Contract assets	164,141,161.07	164,141,161.07	
Held-for-sale assets			

Non-current assets due within one year	113,246,088.67	113,246,088.67	
Other current assets	3,739,032,573.25	3,739,032,573.25	
Total current assets	13,480,047,390.31	13,479,618,017.30	-429,373.01
Non-current assets:			
Disbursement of loans and advances			
Creditors' investments	2,614,476,734.72	2,614,476,734.72	
Other debt investment			
Long-term receivables			
Long-term equity investments	12,953,835,204.30	12,953,835,204.30	
Other equity instruments investments	349,241,523.36	349,241,523.36	
Other non-current financial assets	599,602,448.11	599,602,448.11	
Total non-current assets	86,197,364,712.03	86,217,512,531.79	20,147,819.76
Total assets	99,677,412,102.34	99,697,130,549.09	19,718,446.75
Current liabilities:			
Short-term borrowings	2,861,018,522.06	2,861,018,522.06	
Borrowings from central bank			
Borrowing funds			
Trading financial liabilities			
Derivative financial liabilities			
Notes payable	276,072,829.09	276,072,829.09	
Accounts Payable	4,752,653,371.86	4,752,653,371.86	
Advance receipts	77,515,694.58	77,515,694.58	
Contract liabilities	119,559,857.88	119,559,857.88	
Funds from financial assets sold for repurchase			
Deposits from customers and interbank			
Receiving from vicariously traded securities			
Receivings from vicariously sold securities			
Employee pay payable	140,365,567.39	140,365,567.39	
Taxes and dues payable	663,977,397.94	663,977,397.94	
Other payables	3,724,223,735.68	3,724,223,735.68	
Including: interest payable			
Dividends payable	60,885,896.25	60,885,896.25	
Handling charges and commissions payable			
Dividend payable for reinsurance			
Held-for-sale liabilities			
Non-current liabilities due within one year	4,032,426,775.73	4,035,814,175.16	3,387,399.43
Other current liabilities	2,529,825,261.70	2,529,825,261.70	
Total current liabilities	19,177,639,013.91	19,181,026,413.34	3,387,399.43

Non-current liabilities			
Insurance contract reserve			
Long-term loans	37,550,693,637.85	37,550,693,637.85	
Bonds payable			
Incl.: Preferred stock			
Perpetual bonds			
Lease liabilities	75,911,342.92	92,242,390.24	16,331,047.32
Long-term payables	481,309,265.20	481,309,265.20	
Long-term payroll payable	214,288,788.88	214,288,788.88	
Estimated liabilities	286,586,129.19	286,586,129.19	
Deferred income	1,593,513,850.06	1,593,513,850.06	
Deferred income tax liabilities	1,103,990,005.95	1,103,990,005.95	
Other non-current liabilities			
Total non-current liabilities	41,306,293,020.05	41,322,624,067.37	16,331,047.32
Total liabilities	60,483,932,033.96	60,503,650,480.71	19,718,446.75
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	4,811,165,857.00	4,811,165,857.00	
Other equity instruments	3,200,000,000.00	3,200,000,000.00	
Incl.: Preferred stock			
Perpetual bonds	3,200,000,000.00	3,200,000,000.00	
Capital reserves	2,526,600,650.09	2,526,600,650.09	
Less: Treasury share			
Other comprehensive income	-47,382,900.51	-47,382,900.51	
Special reserve	95,654,456.55	95,654,456.55	
Surplus reserve	3,388,948,843.13	3,388,948,843.13	
General risk provision			
Undistributed profit	18,604,140,333.69	18,604,140,333.69	
Total owner's equities (or shareholders' equity) attributable to parent company	32,579,127,239.95	32,579,127,239.95	
Minority equity	6,614,352,828.43	6,614,352,828.43	
Total owner's equity (shareholder's equity)	39,193,480,068.38	39,193,480,068.38	
Liabilities and total owner's equity (or shareholder's equity)	99,677,412,102.34	99,697,130,549.09	19,718,446.75

Instruction on adjustment of each item:

Applicable Not applicable

Balance Sheet of Parent Company

Unit: Yuan Currency: CNY

Item	December 31, 2020	January 12, 2021	Adjustment
Current assets:			
Monetary funds	928,288,455.53	928,288,455.53	

Trading financial assets			
Derivative financial assets			
Notes receivable	33,981,915.06	33,981,915.06	
Accounts receivable			
Receivable financing			
Advance payments	11,237,709.41	11,237,709.41	
Other receivables	6,219,568,039.82	6,219,568,039.82	
Including: interest receivable			
Dividends receivable	75,037,985.75	75,037,985.75	
Inventory			
Contract assets			
Held-for-sale assets			
Non-current assets due within one year			
Other current assets	1,330.70	1,330.70	
Total current assets	7,193,077,450.52	7,193,077,450.52	
Non-current assets:			
Creditors' investments	1,050,000,000.00	1,050,000,000.00	
Other debt investment			
Long-term receivables			
Long-term equity investments	22,198,322,722.62	22,198,322,722.62	
Other equity instruments investments	17,614,686.36	17,614,686.36	
Other non-current financial assets			
Investment real estate	99,593,869.59	99,593,869.59	
Fixed assets	5,847,333,014.15	5,847,333,014.15	
Construction in progress	6,609,958,928.50	6,609,958,928.50	
Productive biological assets			
Oil and gas assets			
Usufruct assets		3,399,971.97	3,399,971.97
Intangible assets	26,031,443,072.07	26,031,443,072.07	
Development expenditures			
Goodwill			
Long-term unamortized expenses	2,255,539.59	2,255,539.59	
Deferred income tax assets	553,019,757.44	553,019,757.44	
Other non-current assets	1,691,331,534.50	1,691,331,534.50	
Total non-current assets	64,100,873,124.82	64,104,273,096.79	3,399,971.97
Total assets	71,293,950,575.34	71,297,350,547.31	3,399,971.97
Current liabilities:			
Short-term borrowings	2,713,985,295.67	2,713,985,295.67	
Trading financial liabilities			
Derivative financial liabilities			

Notes payable	241,800,000.00	241,800,000.00	
Accounts Payable	3,827,021,730.09	3,827,021,730.09	
Advance receipts			
Contract liabilities			
Employee pay payable	4,191,355.63	4,191,355.63	
Taxes and dues payable	329,613,826.45	329,613,826.45	
Other payables	2,644,367,755.20	2,644,367,755.20	
Including: interest payable			
Dividends payable	17,677,077.63	17,677,077.63	
Held-for-sale liabilities			
Non-current liabilities due within one year	2,624,567,516.60	2,625,918,787.25	1,351,270.65
Other current liabilities	2,515,141,657.31	2,515,141,657.31	
Total current liabilities	14,900,689,136.95	14,902,040,407.60	1,351,270.65
Non-current liabilities			
Long-term loans	25,655,628,195.96	25,655,628,195.96	
Bonds payable			
Incl.: Preferred stock			
Perpetual bonds			
Lease liabilities		2,048,701.32	2,048,701.32
Long-term payables	294,000,000.00	294,000,000.00	
Long-term payroll payable	111,690,956.40	111,690,956.40	
Estimated liabilities			
Deferred income	708,624,257.65	708,624,257.65	
Deferred income tax liabilities	165,146,292.77	165,146,292.77	
Other non-current liabilities			
Total non-current liabilities	26,935,089,702.78	26,937,138,404.10	2,048,701.32
Total liabilities	41,835,778,839.73	41,839,178,811.70	3,399,971.97
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	4,811,165,857.00	4,811,165,857.00	
Other equity instruments	3,200,000,000.00	3,200,000,000.00	
Incl.: Preferred stock			
Perpetual bonds	3,200,000,000.00	3,200,000,000.00	
Capital reserves	1,902,762,862.20	1,902,762,862.20	
Less: Treasury share			
Other comprehensive income	-48,454,749.94	-48,454,749.94	
Special reserve			
Surplus reserve	3,360,606,953.46	3,360,606,953.46	
Undistributed profit	16,232,090,812.89	16,232,090,812.89	
Total owner's equity (shareholder's equity)	29,458,171,735.61	29,458,171,735.61	
Liabilities and total owner's	71,293,950,575.34	71,297,350,547.31	3,399,971.97

equity (or shareholder's equity)			
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Instruction on adjustment of each item:

Applicable Not applicable

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

Applicable Not applicable

On December 7, 2018, the Ministry of Finance issued the "Notice on Revising and Printing the <Accounting Standard for Business Enterprises No. 21–Lease>", which was implemented by the company from January 1, 2021. According to the new lease standard's convergence requirements for the conversion of the old and new standards, the company adjusted the related items of the financial statements at the beginning of the year of the first implementation of the standard based on the cumulative impact of the first implementation of this standard, but did not adjust the information for the comparable period since the implementation of the new revenue standard.

For the operating lease before the date of first implementation, the Group measures the lease liabilities based on the current value discounted by the incremental borrowing interest rate of the lessee on the date of first implementation according to the remaining lease payment, and measures the right-of-use assets according to the same amount as the lease liabilities based on each lease choice.

For operating leasing except for low value lease before the date of first implementation, the Group uses the following one or more for simplified treatment:

1) The lease that will be completed within 12 months after the date of first implementation will be treated as short-term lease;

2) When measuring lease liabilities, leases with similar characteristics adopt the same discount rate;

3) If there is a renewal option or termination of the lease option, the lease term is determined according to the actual exercise of the option before the date of first implementation and other up-to-date state.

45. Others

Applicable Not applicable

VI. Taxes

1. Main tax types and tax rates

Main tax categories and tax rate

Applicable Not applicable

Tax categories	Taxation basis	Tax rate
Corporate income tax	Taxable income	15%, 16.5%, 20%, 25%
Value-added tax	Toll revenue	3%, 5%
Value-added tax	Railway transportation incomes, incomes from sales of goods, labor incomes, etc.	3%, 5%, 6%, 9%, 13%
Urban maintenance and construction tax	Turnover tax payable	5%, 7%
Education supplementary tax	Turnover tax payable	5%

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

APPLICABLE NOT APPLICABLE

Name of taxpayer	Income tax rate (%)
Shandong High Speed Railway Construction Equipment Co., Ltd.	15%

Shandong Hi-speed Environmental Technology Co., Ltd.	15%
ECON Technology Co., Ltd	15%
Qilu Expressway (Hong Kong) Co., Ltd.	16.5%
Shandong Shunguang Industrial Development Co., Ltd.	20%
Shandong Ruiyuan Logistics Co., Ltd.	20%
Shanghai Jiyi Environmental Technology Co., Ltd.	20%
Kangrunhong Environmental Protection Technology (Yantai) Co., Ltd.	20%
Binzhou Weiyijie Environmental Protection Technology Co., Ltd.	20%
Bokang Renewable Resources (Yantai) Co., Ltd.	20%

2. Tax preference

Applicable Not applicable

(1) High-tech enterprises that China needs to give major support shall be subject to an enterprise income tax rate of 15% in accordance with Article 28 of the "Law of the People's Republic of China on Enterprise Income Tax" issued through No.63 of Order of the President of the People's Republic of China (Paragraph 2). Shandong High-Speed Railway Construction Equipment Co., Ltd., a subsidiary of the Group, completed the filing for preferential matters of high-tech enterprises in December 2020. The high-tech enterprise certificate number is GR202037000145, and the document certificate is valid for three years. Shandong Hi-Speed Environmental Technology Co., Ltd., a subsidiary of the Group, completed the filing for preferential matters of high-tech enterprises in December 2021. The high-tech enterprise certificate number is GR202137004129, and the document certificate is valid for three years. ECON Technology Co., Ltd., a subsidiary of the Group, completed the filing for preferential matters of high-tech enterprises in August 2020. The high-tech enterprise certificate number is GR202037000258, and the document certificate is valid for three years.

(2) According to the relevant provisions of the "Notice on the Implementation of the Inclusive Tax Relief Policy for SMEs", Shandong Shunguang Industrial Development Co., Ltd., Shandong Ruiyuan Logistics Co., Ltd., Shanghai Jiyi Environmental Technology Co., Ltd., Kangrunhong Environmental Protection Technology (Yantai) Co., Ltd., Binzhou Weiyijie Environmental Protection Technology Co., Ltd., Bokang Renewable Resources (Yantai) Co., Ltd. under the Group, are recognized as SMEs, and the part of its annual taxable income not exceeding CNY 1 million 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 CNY 1 million but not exceeding CNY 3 million, 50% of the amount shall be included in the taxable income and income tax shall be paid according to the rate of 20%. According to the "Announcement on the Implementation of the Preferential Policies for the Income Tax of SMEs and Individual Businesses" (No. 12, 2021) issued by the Ministry of Finance and State Taxation Administration, for the annual taxable income of small micro-profit enterprises not exceeding 1 million yuan, based on the preferential policy stipulated in Article 2 of "Notice of the Ministry of Finance and State Taxation Administration on the Implementation of the Inclusive Tax Reduction and Exemption Policy for SMEs" (CS [2019] No. 13), the enterprise income tax will be halved.

(3) According to the "Notice on VAT, Business Tax and Enterprise Income Tax Policies for Promoting the Development of Energy Conservation Service Industry" printed and issued by the Ministry of Finance and State Taxation Administration (CS [2010] No. 110), for the incomes from the approved environmental protection, energy-saving and water-saving projects, since the tax payment year, to which the project obtained the first production and operating income belongs, the enterprise enjoyed the "three exemptions and three reductions" discounts of the enterprise income tax. Laizhou Binhai Sewage Treatment Co., Ltd. and Laizhou Lairun Holdings Co., Ltd. under this Group enjoyed this tax preference. From 2017 to 2019, their

enterprise income taxes were exempted, and from 2020 to 2022, their enterprise income taxes were halved at a statutory tax rate of 25%.

3. Miscellaneous

Applicable Not applicable

(1) According to the relevant provisions of the Provisions of the Trial Program of Replacing Business Tax with VAT, "the vehicle toll of the expressway before the Trial program for general taxpayers among the highway operating enterprises may choose simple tax calculation to pay tax by 3% of reduced rate." The company toll revenue is temporarily calculated, according to simple tax method, to pay tax by 3% of reduced rate.

(2) According to the "List of Preference of Resource Comprehensive Utilization Products and Service VAT" (CS [2015] No. 78) issued by the Ministry of Finance and State Taxation Administration, the sewage treatment industry of Laizhou Binhai Sewage Treatment Co., Ltd. and Laizhou Lairun Holdings Co., Ltd. under the Group belongs to the preference list of "resource comprehensive utilization services". After the VAT is collected at the statutory tax rate, currently 6% tax rate is implemented (Announcement of State Taxation Administration in No. 9 Document in 2020), and immediate levying and refunding is implemented for the actual tax burden of the VAT of sewage treatment income based on the 70% part and for reuse water income based on 50% part.

VII. Notes of the consolidated financial statement items

1. Monetary funds

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Cash on hand	49,829.31	127,223.75
Bank deposit	4,575,578,631.51	2,282,854,689.33
Other money fund	157,881,957.39	52,537,681.93
Total	4,733,510,418.21	2,335,519,595.01
including: Total amount of money deposited abroad	1,264,758.42	1,654,820.94

Other explanations

Note: Funds stored overseas are funds stored in Hong Kong by the company's Hong Kong subsidiaries.

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

Item	Ending balance	Beginning balance
Cash deposit for bank acceptance	141,598,462.47	35,376,507.44
Guarantee margin	13,084,618.19	17,161,174.49
Land reclamation deposit	2,678,861.80	
Security deposit for rural workers' wages	270,014.93	
Letter of credit guarantee deposit	250,000.00	
Total	157,881,957.39	52,537,681.93

Note: As of December 31, 2021, Subei Mongol Autonomous County Kangrun Water Affairs Co., Ltd., a subsidiary of the Group, had a frozen bank deposit of 150,000,000.00 yuan in the general deposit account due to litigation. For litigation, please refer to "Note XIV. 2 Contingency" for details.

2. Trading financial assets

√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Financial assets measured at fair value and whose changes are included in current profit and loss		502,683,295.89
Including:		
Investment in debt instruments		37,879,166.67
Structural deposits		452,568,219.18
Financial products		12,235,910.04
Total		502,683,295.89

Other explanations:

Applicable Not applicable

3. Derivative financial assets

Applicable Not applicable

4. Notes receivable

(1). Classification of notes receivable

√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Commercial acceptance bill	313,295,763.10	78,553,471.98
Total	313,295,763.10	78,553,471.98

(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 GDG by the end of the period and have not expired on the balance sheet date

Applicable Not applicable

(4). Notes transferred to receivables by GDG due to non-performance of the drawer

Applicable Not applicable

(5). Classified disclosure by bad debt provision method

√Applicable Not applicable

Unit: Yuan Currency: CNY

Category	Ending balance					Beginning balance				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion of accrual (%)		Amount	Proportion(%)	Amount	Proportion of accrual (%)	
Accrual of bad debt reserves by single item										
Accrual of bad debt reserves by combination	314,589,463.24		1,293,700.14		313,295,763.10	80,086,113.33		1,532,641.35		78,553,471.98
Including:										
Related party combination	288,715,460.52	91.78			288,715,460.52	49,433,286.40	61.73			49,433,286.40
Third party combination	25,874,002.72	8.22	1,293,700.14	5.00	24,580,302.58	30,652,826.93	38.27	1,532,641.35	5.00	29,120,185.58
Total	314,589,463.24	/	1,293,700.14	/	313,295,763.10	80,086,113.33	/	1,532,641.35	/	78,553,471.98

Provision for bad debts accrued on an individual basis:

 Applicable Not applicable

Provision for bad debts by combination:

Applicable Not applicable

Portfolio accrual item: third party portfolio

Unit: Yuan Currency: CNY

Sintered hollow bricks	Ending balance		
	Notes receivable	Bad debt provision	Proportion of accrual (%)
Within one year	25,874,002.72	1,293,700.14	5.00
Total	25,874,002.72	1,293,700.14	—

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

Applicable Not applicable

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

(6). Bad debt provision

Applicable Not applicable

Unit: Yuan Currency: CNY

Category	Beginning balance	Current change amount			Ending balance
		Accrual	Recovery or reversal	Resell or write off	
Bad debt reserves of the notes receivable	1,532,641.35	-238,941.21			1,293,700.14
Total	1,532,641.35	-238,941.21			1,293,700.14

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

Applicable Not applicable

Other explanations:

None

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

Applicable Not applicable

Other explanations

Applicable Not applicable

5. Accounts receivable

(1). Disclosure by account receivable age.

Applicable Not applicable

Unit: Yuan Currency: CNY

Account receivable age	Ending book balance
Within 1 year	
Including: sub items within 1 year	
Sub-total within 1 year	968,707,462.02
1 ~ 2 years	401,413,255.98

2 to 3 years	194,343,746.01
3 to 4 years	78,554,236.00
4 to 5 years	56,289,260.08
Over 5 years	7,806,973.97
Total	1,707,114,934.06

(2). Classified disclosure by bad debt provision method.

Applicable Not applicable

Unit: Yuan Currency: CNY

Category	Ending balance					Beginning balance				
	Book Balance		Bad debt provision		Book value	Book Balance		Bad debt provision		Book value
	Amount	Proportion(%)	Amount	Proportion of accrual (%)		Amount	Proportion(%)	Amount	Proportion of accrual (%)	
Accrual of bad debt reserves by single item	213,592.23		213,592.23			1,108,788.64				1,108,788.64
Including:										
Accounts receivable with insignificant single amount but with individually accounted and drawn bad debt reserves	213,592.23	0.01	213,592.23	100		1,108,788.64	0.19			1,108,788.64
Accrual of bad debt reserves by combination	1,706,901,341.83		212,033,478.10		1,494,867,863.73	595,593,009.01		9,029,724.21		586,563,284.80
Including:										
Related party	243,319,006.21	14.25			243,319,006.21	423,415,319.89	70.96			423,415,319.89

combination										
Third party combination	1,463,582,335.62	85.74	212,033,478.10	14.49	1,251,335,265.29	172,177,689.12	28.85	9,029,724.21	5.24	163,147,964.91
Total	1,707,114,934.06	/	212,247,070.33	/	1,494,867,863.73	596,701,797.65	/	9,029,724.21	/	587,672,073.44

Provision for bad debts accrued on an individual basis:

Applicable Not applicable

Unit: Yuan Currency: CNY

Sintered hollow bricks	Ending balance			
	Book Balance	Bad debt provision	Proportion of accrual (%)	Reasons for accrual
Shandong Wuyu Cultural Media Co., Ltd.	213,592.23	213,592.23	100.00	Litigation-related
Total	213,592.23	213,592.23	100.00	/

Explanation for accrual of bad debt reserves by single item:

Applicable Not applicable

Provision for bad debts by combination:

Applicable Not applicable

Portfolio accrual item: third party portfolio

Unit: Yuan Currency: CNY

Sintered hollow bricks	Ending balance		
	Accounts receivable	Bad debt provision	Proportion of accrual (%)
Within 1 year	818,040,746.77	39,179,650.99	4.79
1 to 2 years	346,155,076.72	33,753,214.44	9.75
2-3 years	156,914,542.08	47,074,362.63	30.00
3 to 4 years	78,375,736.00	39,187,868.01	50.00
4 to 5 years	56,289,260.08	45,031,408.06	80.00
Over 5 years	7,806,973.97	7,806,973.97	100.00
Total	1,463,582,335.62	212,033,478.10	

Recognition standard and description of bad debt withdrawn by combination:

Applicable Not applicable

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

If the 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). Bad debt provision.

Applicable Not applicable

Unit: Yuan Currency: CNY

Category	Beginning balance	Current change amount				Ending balance
		Accrual	Recovery or reversal	Resell or write off	Other changes	

Provision for bad debts of accounts receivable	9,029,724.21	67,364,762.88			135,852,583.24	212,247,070.33
Total	9,029,724.21	67,364,762.88			135,852,583.24	212,247,070.33

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 accounts receivable of the ending balance collected by debtors

Applicable Not applicable

Unit: Yuan Currency: CNY

Unit Name	Ending balance	Proportion (%) in the total amount of ending balance of accounts receivable	Ending balance of bad debt reserves
Anhui Water Resources Development Co., Ltd	265,461,642.12	15.55	24,297,746.85
Xi'an Construction Engineering Municipal Transportation Group Co., Ltd.	118,808,002.40	6.96	10,248,650.78
Shaanxi Non-ferrous Construction Co., Ltd.	118,399,497.42	6.94	5,919,974.87
Shandong High-Speed New Material Technology Co., Ltd.	106,092,433.75	6.21	
Daosui Group Engineering Co., Ltd.	48,580,838.53	2.85	12,893,445.57
Total	657,342,414.22	38.51	53,359,818.07

Other explanations

None

(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 explanations:

Applicable Not applicable

6. Receivables financing

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Bank acceptance	123,809,683.09	150,364,832.63

Total	123,809,683.09	150,364,832.63
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Changes in receivables financing in current period and changes in fair value:

Applicable Not applicable

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

Other explanations:

Applicable Not applicable

Receivables financing that have been endorsed or discounted at the end of the year and are not yet due on the balance sheet date

Unit: Yuan Currency: CNY

Item	EOY amount derecognized	EOY amount not derecognized
Bank acceptance	100,633,387.40	
Total	100,633,387.40	

7. Prepayments

(1) Prepayments listed by age

Applicable Not applicable

Unit: Yuan Currency: CNY

Account receivable age	Ending balance		Beginning of the period	Balance
	Amount	Proportion(%)	Amount	Proportion(%)
Within 1 year	196,540,683.42	92.32	141,174,955.57	95.82
1 ~ 2 years	11,214,855.16	5.27	4,703,965.97	3.19
2 to 3 years	3,381,622.61	1.59	607,861.76	0.41
Over 3 years	1,743,934.31	0.82	849,839.08	0.58
Total	212,881,095.50	100.00	147,336,622.38	100.00

Description of the reasons why prepayments with an age of more than one year and significant amounts were not settled in a timely manner:

None

(2). Advance payment of the top five in the ending balance collected by the debtor.

Applicable Not applicable

Unit Name	Ending balance	Proportion in the total EOY balance of prepayments (%)
China Railway Materials Railway Technology Service Group Co., Ltd.	23,413,030.11	11.00
Shandong Hi-Speed Maintenance Group Co., Ltd.	22,645,125.22	10.64
Beijing Tongda Rui'an Railway Equipment Co., Ltd.	18,741,682.55	8.80
Jinan Lulue Hengsheng Building Materials Co., Ltd.	12,616,900.60	5.93
Shandong Shangao Project Management	10,540,300.65	4.95

Co. Ltd.		
Total	87,957,039.13	41.32

Other explanations

None

Other explanations

Applicable Not applicable

8. Other receivables

List of items

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Interests receivable		
Dividends receivable	75,037,985.75	75,037,985.75
Other receivables	4,204, 573, 582. 86	4,192, 201,457.79
Total	4,279,611,568.61	4,267, 239, 443. 54

Other explanations:

Applicable Not applicable

Interests receivable

(1). Classification of interests receivable

Applicable Not applicable

(2). Significant overdue interest.

Applicable Not applicable

(3). Provision for bad debts.

Applicable Not applicable

Other explanations:

Applicable Not applicable

Dividends receivable

(4). Dividends receivable

Applicable Not applicable

Unit: Yuan Currency: CNY

Project (or investee unit)	Ending balance	Beginning balance
Jinan Changying Transportation Infrastructure Investment Fund Partnership (Limited Partnership)	75,037,985.75	75,037,985.75
Total	75,037,985.75	75,037,985.75

(5). Important dividends receivable with account age over 1 year

Applicable Not applicable

Unit: Yuan Currency: CNY

Project (or investee unit)	Ending balance	Account receivable age	Reasons for failure to collect	With or without impairment and basis of determination
Jinan Changying Transportation Infrastructure Investment Fund Partnership (Limited Partnership)	75,037,985.75	12 years	Dividends receivable for reinvestment	No
Total	75,037,985.75	/	/	/

(6). Accrual of bad debt reserves

Applicable Not applicable

Other explanations:

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan Currency: CNY

Account receivable age	Ending book balance
Within 1 year	
Including: sub items within 1 year	
Sub-total within 1 year	650,148,730.23
1 ~ 2 years	853,991,753.65
2 to 3 years	2,667, 646, 736. 05
3 to 4 years	12,445,732.15
4 to 5 years	705,700.00
Over 5 years	352,307,380.80
Total	4,537, 246, 032. 88

(8). Classification by nature of receivables.

Applicable Not applicable

Unit: Yuan Currency: CNY

Nature of payment	Ending book balance	Beginning Book Balance
Transaction Accounts	3,798, 387, 840. 07	3,933, 327, 788.77
Toll split	162,595,103.29	144,992,329.99
Payment of Kenxin Project (Note)	305,533,879.36	305,533,879.36
Deposits, security deposits	270,729,210.16	124,326,927.56
Total	4,537, 246, 032. 88	4,508, 180, 925. 68

Note: As of December 31, 2021, the balance of receivables from Kenxin project was CNY 305,533,900. 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

(9). Provision for bad debts

Applicable Not applicable

Unit: Yuan Currency: CNY

Bad debt provision	Phase I	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit losses for the entire duration (no credit impairment occurs)	Expected credit loss over the life (credit impairment occurred)	
Balance as of January 1, 2021	63,230,709.86	914,770.15	251,833,987.88	315,979,467.89
Balance as of January 1, 2021 will be transferred into				
--Transferred to Phase II				
--Transferred to Phase III				
- Carried back to Phase II				
- Carried back to Phase I				
Accrual in the period	8,509,005.80		8,578,758.60	17,087,764.40
Amount reversed in current period			6,000,000.00	6,000,000.00
Amount resold in current period				
Cancellations in the period				
Other changes	5,605,217.73			5,605,217.73
Balance in December 31, 2021	77,344,933.39	914,770.15	254,412,746.48	332,672,450.02

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

Applicable Not applicable

The amount of provision for bad debts for the period and the basis used to assess whether there is a significant increase in the credit risk of the financial instrument:

Applicable Not applicable

(10). Bad debt provision.

Applicable Not applicable

Unit: Yuan Currency: CNY

Category	Beginning balance	Current change amount				Ending balance
		Accrual	Recovery or reversal	Resell or write off	Other changes	
Bad debt reserves of other receivables	315,979,467.89	17,087,764.40	6,000,000.00		5,605,217.73	332,672,450.02
Total	315,979,467.89	17,087,764.40	6,000,000.00		5,605,217.73	332,672,450.02

In which, the amount of provision for bad debt reversed or recovered in the current period is significant:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan Currency: CNY

Unit Name	Nature of receivables	Ending balance	Account receivable age	Proportion in total ending balance of other receivables (%)	Bad debt provision Ending balance
Shandong Hi-Speed Xicheng Property Co., Ltd.	Transaction Accounts	2,580,123,634.69	2-3 years	56.87	
Bureau of Finance of Fushan District, Yantai City	Land replacement payments	384,778,220.65	1 to 2 years	8.48	
Jinan Puyuan Real Estate Co., Ltd.	Transaction Accounts	322,167,326.14	2-4 years	7.10	
Shenzhen Litianjun Supply Chain Co., Ltd	Receivables of Kenxin Project	305,533,879.36	Over 5 years	6.73	201,295,159.36
JTT.SHANDONG.GOV. CN	Toll split	101,720,469.13	Within 1 year	2.24	
Total	—	3,694,323,529.97	—	81.42	201,295,159.36

(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 transferring other receivables and continuing involvement

Other explanations:

 Applicable Not applicable**9. Inventory****(1) Inventory classification** Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance			Beginning balance		
	Book Balance	Falling Price Reserves of Inventory/Impairment Reserves of Contract Performance Cost	Book value	Book Balance	Falling Price Reserves of Inventory/Impairment Reserves of Contract Performance Cost	Book value
Raw material	185,343,874.01	79,345,736.87	105,998,137.14	179,334,631.93	52,974,345.27	126,360,286.66
Product in stock	145,161,485.98	540,068.79	144,621,417.19	105,035,291.41	464,498.64	104,570,792.77
Goods in transit	3,776,512.41		3,776,512.41			
Materials for repair and maintenance of highways	3,414,884.79		3,414,884.79	3,333,309.38		3,333,309.38
Development costs	1,160,668,773.35		1,160,668,773.35	1,159,759,913.04		1,159,759,913.04
Contract performance cost	37,165,007.40		37,165,007.40			
Others	207,573.25		207,573.25	233,930.60		233,930.60
Total	1,535,738,111.19	79,885,805.66	1,455,852,305.53	1,447,697,076.36	53,438,843.91	1,394,258,232.45

(2) Inventory falling price reserves and contract performance cost impairment reserves Applicable Not applicable

Unit: Yuan; Currency: CNY

Item	Beginning balance	Amount Increased in the Current Period		Amount Decreased in the Current Period		Ending balance
		Accrual	Others	Reversal or Resale	Others	
Raw material	52,974,345.27	26,616,954.38		245,562.78		79,345,736.87
Product in stock	464,498.64	254,523.75		178,953.60		540,068.79
Total	53,438,843.91	26,871,478.13		424,516.38		79,885,805.66

(3). The ending balance of inventory includes the capitalization amount of borrowing cost

□ Applicable √ Not applicable

(4) Explanation of amortization amount of contract performance cost in current period

□ Applicable √ Not applicable

Other explanations

√Applicable □Not applicable

Development costs

Unit: Yuan Currency: CNY

Item Description	Commencement date	Estimated completion date	Estimated total investment	Balance at the beginning of year	Year-end balance
Jiahe Island Project	Not started	Not started	4,250,480,000.00	1,159,759,913.04	1,160,668,773.35
Total			4,250,480,000.00	1,159,759,913.04	1,160,668,773.35

10. Contract assets**(1) Contract assets**

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance			Beginning balance		
	Book Balance	Impairment reserves	Book value	Book Balance	Impairment reserves	Book value
Project contract assets	763,843,036.74	54,993,211.96	708,849,824.78	168,495,044.38	4,353,883.31	164,141,161.07
Total	763,843,036.74	54,993,211.96	708,849,824.78	168,495,044.38	4,353,883.31	164,141,161.07

(2). Amount whose book value changed significantly during the report period and reasons

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Accrual in the period	Amount reversed in current period	Current write-offs	Cause
Project contract assets	- 117,983,497.18			
Total	- 117,983,497.18			/

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

Other explanations:

Applicable Not applicable

11. Assets held for sale

Applicable Not applicable

12. Non-current assets due within one year

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Project of Shanghai Weishi Investment Management Co., Ltd.		113,246,088.67
Jinan Changying Jinyu investment partnership (limited partnership) loan project (note)	40,104,821.79	
Total	40,104,821.79	113,246,088.67

Note: The project is a debt investment with a maturity date of December 30, 2022 and an effective interest rate of 10%.

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

Applicable Not applicable

Other explanations

None

13. Other current assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Prepaid income tax of the enterprise	46,886,370.30	2,161,817.00

Input tax to be deducted	486,419,116.92	219,318,777.23
Evergrande equity transfer (Note 1)	2,037,329,664.58	3,516,095,138.11
Zibo Lutai Avenue Expressway Debt Investment Project	295,920,993.71	
Input tax temporary difference	121,504,796.70	
Others	37,084,905.62	1,456,840.91
Total	3,025,145,847.83	3,739,032,573.25

Note: In November 20, 2020, Jinan Changying Jincheng Equity Investment Partnership (Limited Partnership) (the transferor, Changying Jincheng for short), a subsidiary of the company, entered into the "Equity Transfer Agreement of Evergrande Real Estate Group Co., Ltd." with Shenzhen Talents Housing Group Co., Ltd. (the transferee, "Housing Group" for short) and Evergrande Real Estate Group Co. Ltd, transferring 1.1759% of the equity of Evergrande Real Estate Group Co., Ltd. held by Changying Jincheng to the transferee, with an equity transfer payment of CNY 5 billion. According to the "Equity Transfer Agreement", the transferee pledged the corresponding equity of Evergrande Real Estate Group to Changying Jincheng as a guarantee, and paid the transfer payment in three phases. From the date of the signing of the agreement to the actual payment date, the interest is paid at 3.85% of the 1-year loan market loan prime rate (LPR), and the deadline for equity transfer payment of the third phase is November 19, 2021. The "Equity Transfer Agreement" also stipulates that if the transferee fails to make payment on time, it shall pay the transferor the liquidated damages for overdue payment, which is based on overdue account payable and calculated at twice the LPR from the overdue date to the actual payment date. After the agreement came into effect, Changying Jincheng had transferred the target equity to Housing Group in accordance with the contract. The Housing Group had pledged the target equity to Changying Jincheng as agreed, and paid 3 billion yuan for the first two-phase equity transfer payment and interests. After paying the above money, Housing Group did not fulfill the follow-up payment obligations in accordance with the contract, and Changying Jincheng failed after pressing for payment for several times. Therefore, Changying Jincheng filed an arbitration to China International Economic and Trade Arbitration Commission (hereinafter referred to as "Trade Arbitration") in accordance with the agreement, requesting Housing Group to pay the third phase of equity transfer payment of 2 billion yuan and its interests and liquidated damages agreed in the "Equity Transfer Agreement". On February 23, 2022, the Trade Arbitration accepted the case and notified the applicant and the respondent to designate arbitrators. As of this reporting date, Trade Arbitration has not ruled on the case.

Other explanations

None

14. Debt investment

(1). Credit investment

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance			Beginning balance		
	Book Balance	Impairment reserves	Book value	Book Balance	Impairment reserves	Book value
Jinan Changying Jinyu investment partnership (limited partnership) borrowing project				40,111,111.11		40,111,111.11

Weihai Mediterranean International Style Town Project				60,220,000.00		60,220,000.00
Capital contribution by BOE Trust				500,000,000.00		500,000,000.00
Weifang Shangao new and old kinetic energy conversion fund project	450,030,000.00		450,030,000.00	1,050,000,000.00		1,050,000,000.00
Shandong Railway Development Fund	93,263,163.00		93,263,163.00	63,263,163.00		63,263,163.00
Infrastructure investment projects such as urban renewal	2,288,773,533.53		2,288,773,533.53	900,882,460.61		900,882,460.61
Total	2,832,066,696.53		2,832,066,696.53	2,614,476,734.72		2,614,476,734.72

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

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance				Beginning balance			
	Face value	Nominal interest rate	Actual interest rate	Due date	Face value	Nominal interest rate	Actual interest rate	Due date
Jinan Changying Jinyu investment partnership (limited partnership) loan project					40,000,000.00	10.00%	10.00%	2022-12-30
Weihai Mediterranean International Style Town Project					60,000,000.00	12.00%	12.00%	2021-11-26
Capital contribution by BOE Trust					500,000,000.00	8.50%	8.50%	2021-2-18
Weifang Shangao new and old kinetic energy conversion fund project	450,030,000.00	15.00%	15.00%	2023-12-1	1,050,000,000.00	15.00%	15.00%	2023-12-1
Shandong Railway Development Fund	93,263,163.00	4.85%	4.85%	2030-6-30	63,263,163.00	4.85%	4.85%	2030-6-30
Infrastructure investment projects such as urban renewal	585,000,000.00	10.7%	10.7%	2026-4-8	150,000,000.00	10.7%	10.7%	2026-4-8
Infrastructure investment projects such as urban renewal	185,980,000.00	10.7%	10.7%	2025-6-11	185,980,000.00	10.7%	10.7%	2025-6-11
Infrastructure investment projects such as urban renewal	189,600,000.00	10.7%	10.7%	2025-8-7	189,600,000.00	10.7%	10.7%	2025-8-7
Infrastructure investment projects such as urban renewal	137,183,300.00	10.50%	10.50%	2025-10-13	137,183,300.00	10.50%	10.50%	2025-10-13
Infrastructure investment projects such as urban renewal	231,166,130.00	10.7%	10.7%	2025-10-30	231,166,130.00	10.7%	10.7%	2025-10-30
Infrastructure investment projects such as urban renewal	104,956,000.00	10.50%	10.50%	2026-5-27				
Infrastructure investment projects such as urban renewal	400,000,000.00	10.00%	10.00%	2024-6-27				
Infrastructure investment projects such as	200,000,000.00	10.7%	10.7%	September 25,				

urban renewal				2024				
Infrastructure investment projects such as urban renewal	200,000,000.00	10.00%	10.00%	December 9, 2026				
Total	2,777,178, 593.00				2,607, 192, 593. 0			

(3). Provision for impairment

Applicable Not applicable

Basis for the adoption of the amount of impairment provision in the current period and the assessment of whether the credit risk of financial instruments has increased significantly:

Applicable Not applicable

Other explanations

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

Applicable Not applicable

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

Applicable Not applicable

(3). Provision for impairment

Applicable Not applicable

Basis for the adoption of the amount of impairment provision in the current period and the assessment of whether the credit risk of financial instruments has increased significantly:

Applicable Not applicable

Other explanations:

Applicable Not applicable

16. Long-term receivables**(1). Situation of long-term receivables.**

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance			Beginning balance			Discount rate interval
	Book Balance	Bad debt provision	Book value	Book Balance	Bad debt provision	Book value	
Jiaying Tonghui Expressway Service Area Operation Management Co., Ltd.	61,573,400.00		61,573,400.00				
Total	61,573,400.00		61,573,400.00				/

(2). Accrual for bad debt reserves

Applicable Not applicable

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

Applicable Not applicable

(3). Long-term receivables derecognized due to transfer of financial assets

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

Applicable Not applicable

Other explanations

17. Long-term equity investment

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Investee	Beginning balance	Increase or decrease in the current period								Ending balance	Ending balance of provision for impairment	
		Additional Investment	Decreased Investment	Profit and Losses on Investment Recognized by Equity Method	Adjustment of Other Comprehensive Incomes	Other Equity Changes	Declaration and distribution of cash dividends or profits	Accrual of provision for impairment	Others			
I. Joint venture												
Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	58,487,773.41			- 1,053,785.12		25,142,040.00				- 82,576,028.30		
Shandong Zhonglan Railway Operation Co., Ltd.	51,000,000.00										51,000,000.00	
Subtotal	109,487,773.41			- 1,053,785.11		25,142,040.00				- 82,576,028.30	51,000,000.00	
II. Associated enterprises												
Weihai City Commercial Bank Co., Ltd.	2,678,349,858.39			182,902,746.94	22,646,154.74	36,474,504.27	69,395,798.70				2,850,977,465.64	
Shandong High-speed Logistics Group Co., Ltd.	710,448,432.75			25,798,361.56		7,580,306.11					743,827,100.42	

Shandong High-Speed Engineering Project Management Co., Ltd.	74,228,187.82			12,434,459.53						86,662,647.35	
Shandong Hi-Speed Green Ecology Development Co., Ltd.	20,054,579.34			1,057,318.07		1,033,213.31				22,145,110.72	
Dongxing Securities Company, Ltd.	2,404,565,188.31			59,101,526.42	1,489,240.06	148,395,109.83				2,613,551,064.62	
Fujian Longma Environmental Sanitation Equipment Co., Ltd.	436,311,458.62			20,211,239.36			7,849,501.54			448,673,196.44	
Shandong Environmental Protection Industry Co., Ltd.	9,186,228.08		15,000,000.00	- 1,233,752.87					7,047,524.79		
Shandong General Aviation Service Co., Ltd	91,046,718.15		9,517,760.89	- 14,606,426.87						66,922,530.39	
Shandong CSIC Chinatong New Old Energy Conversion Industry	34,500,000.00		- 342,003.28						350,000.00	34,507,996.72	

Investment Fund Partnership (Limited Partnership)											
CSIC EIT (Shandong) City Operation Service Co., Ltd	9,800,000.00			- 1,959,593.16						7,840,406.84	
Shandong New and Old Kinetic Energy SDHS Chengtai Venture Capital Base Partnership (Limited Partnership)	20,305,753.42			- 301,528.81				507,500.00		20,511,724.61	
Jinan Changying Transportation Infrastructure Investment Fund Partnership	2,413,587,094.48	8,000,000.00		389,826,614.72			83,646,039.81			2,727,767,669.39	
Shandong High-Speed (Henan) Maintenance Technology Co., Ltd.	16,545,246.91			38,423.10						16,583,670.01	
Shanghai Jinghai Enterprise Management Center (limited	236,932,278.95			11,565,857.17			15,000,000.00			233,498,136.12	

partnership)											
Sooner Information Technology Co.	32,720,967.78								- 32,720,967.78		
Jinan Changying Jintai Equity Investment Fund Partnership (limited partnership)	36,700,000.00		36,700,000.00	7,090,451.44			7,090,451.44				
Guiyang zhongyun copyright industry fund partnership (limited partnership)	8,070,845.42			45,545.57					271,500.00	8,387,890.99	
Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	2,606,002.60		4,000,000.00	293,175.68					1,687,173.08		
Shandong Hi-Speed Jinan Investment and Engineering Co., Ltd.	629,526,347.34			7,330,468.30						622,195,879.04	

Shandong Hi-Speed Zhongke Incubation Management Co., Ltd	560,354.61			1,653,517.65						2,213,872.26	
Hunan Lianzhi Technology Co., Ltd	30,000,000.00			2,172,337.07						32,172,337.07	
Guangdong Provincial Expressway Development Co., Ltd.	1,337,873,595.98			164,600,863.27	9,663,031.30	4,459,084.47	58,912,709.49			1,438,357,802.93	
Jinan Puyuan Real Estate Co., Ltd.	1,164,175,231.90			336,977,275.02						827,197,956.88	
Shenzhen zhongran Fund Management Co., Ltd	9,207,018.67			43,739.60						9,250,758.27	
Shandong Lingang Shugang Rail Transit Co., Ltd.	400,000,000.00									400,000,000.00	
Shandong Hi-Speed New Material Technology Co., Ltd.	16,072,359.59			24,733.34						16,097,092.93	

Shandong Hi-speed Property Service Development Group Co., Ltd.		12,935,300.00								12,935,300.00	
Guangxi Gangrong Rail Transit Equipment Co., Ltd.		13,000,000.00		518,773.24						13,518,773.24	
Jinan Chunyue New Road Material Research and Development Co., Ltd.	20,973,681.78			364,084.95						21,337,766.73	
Huarun Environmental Protection Water Affairs Co., Ltd.				87,331.71					17,207,569.07	17,120,237.36	
Huoqiu Kangrun Kaitian Water Affairs Environmental Protection Co., Ltd.									77,216,850.12	77,216,850.12	
Weihai Water Affairs Environmental Protection Technology Co., Ltd.				50.86					2,425,504.41	2,425,555.27	

Weihai Yiheng Environmenta l Technology Co., Ltd.				62,057.03					4,744,056.70	4,806,113.73	
Binzhou Beihai Weiqiao Waste disposal Co., Ltd.				3,198,748.85			14,700,000.00		237,313,857.92	225,812,606.77	
Shandong OriginWater Environmenta l Technology Co., Ltd.				534,828.60					27,378,533.31	27,913,361.91	
Yibin Kangrun Environmenta l Technology Co., Ltd.				140,654.67					33,068,6 50.44	32,927,995.77	
Yunnan Hongkang Solid Waste Disposal Use Co., Ltd.		14,400,000.00		240,535.85					2,746,421.21	16,905,885.36	
Yibin Kangrun Environmenta l Protection Power Generation Co., Ltd.				210,788.69					649,211.31	860,000.00	
Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.									2,500,000.00	2,500,000.00	

Subtotal	12,844,347,430.89	48,335,300.00	65,217,760.89	519,944,320.81	14,472,363.50	197,942,217.99	256,594,500.98		382,393,384.58	13,685,622,755.90	
Total	12,953,835,204.30	48,335,300.00	65,217,760.89	518,890,535.70	14,472,363.50	223,084,257.99	256,594,500.98		299,817,356.28	13,736,622,755.90	

Other explanations

Note: The first scheduled disclosure date of Dongxing Securities's annual report is April 29, 2022, and the equity method accounting is based on the data forecast of its third quarterly report; the first scheduled disclosure date of Fulongma's annual report is April 12, 2022, and the equity method accounting is based on the data forecast of its third quarterly report.

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

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Shandong Hi-Speed Culture Media Co., Ltd.	5,924,195.40	17,614,686.36
Shandong Weilai High Speed Railway Co., Ltd.	31,626,837.00	31,626,837.00
Shandong Railway Investment Holding Group Co., Ltd.	323,236,850.94	300,000,000.00
Shandong Weiyuan High Speed Railway Co., Ltd.	59,350,000.00	
Shaoyang Haishang Ecological Agriculture Technology Co., Ltd	1,501,956.00	
Total	421,639,839.34	349,241,523.36

(2). Investment in nonmarketable equity instruments

□ Applicable √ Not applicable

Other explanations:

□ Applicable √ Not applicable

19. Other non-current financial assets

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Nanfang Cement Receivables No. 1 Asset-Backed Special Plan		35,709,250.00
Yike Tower Investment Project	563,893,198.11	563,893,198.11
Foreign Trade Trust - Xincheng 30: PPP project trust of Shijiazhuang International Exhibition Center	140,000,000.00	
Hubei Zhaoying New energy Industry Investment Fund Partnership (Limited Partnership)	97,090,000.00	
Total	800,983,198.11	599,602,448.11

Other explanations:

□ Applicable √ Not applicable

20. Investment real estate

Measurement model of investment real estate

(1). Investment real estate with cost measurement model

Unit: Yuan Currency: CNY

Item	Houses and buildings	Total
I. Original book value		
1. Beginning balance	895,094,238.56	895,094,238.56
2. Increased amount in current period	19,730,596.65	19,730,596.65
(1) Outsourcing		
(2) Inventory\fixed assets\construction in progress transfer-in	19,730,596.65	19,730,596.65
(3) Business combination increased		
3. Decrement in current period	27,854,913.15	27,854,913.15
(1) Disposal		
(2) Other transfer-out	27,854,913.15	27,854,913.15
4. Ending balance	886,969,922.06	886,969,922.06
II. Total accumulated depreciation and accumulated amortization		
1. Beginning balance	150,138,785.48	150,138,785.48
2. Increased amount in current period	39,170,437.13	39,170,437.13
(1) Accrual or amortization	32,503,182.81	32,503,182.81
(2) Fixed asset transfer	6,667, 254. 32	6,667, 254. 32
3. Decrement in current period	27,854,913.15	27,854,913.15
(1) Disposal		
(2) Other transfer-out	27,854,913.15	27,854,913.15
4. Ending balance	886,969,922.06	886,969,922.06
III. Impairment reserves		
1. Beginning balance		
2. Increased amount in current period		
(1) Accrual		
3. Decrement in current period		
(1) Disposal		
(2) Other transfer-out		
4. Ending balance		
IV. Book value		
1. Ending book value	719,679,159.37	719,679,159.37
2. Beginning book value	744,955,453.08	744,955,453.08

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

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Book value	Reason for not being granted property right certificates
Apartments and shops	19,673,899.24	In progress

Other explanations

□ Applicable √ Not applicable

21. Fixed assets**List of items**√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Fixed assets	9,864, 166, 057. 38	9,600, 230, 065. 23
Liquidation of fixed assets		
Total	9,864, 166, 057. 38	9,600, 230, 065. 23

Other explanations:

 Applicable Not applicable

(1) Fixed assets

√Applicable □Not applicable

Unit: Yuan; Currency: CNY

Item	Road property	Housing and buildings	Machine and equipment	Transport vehicle	Electronic appliances and communication equipment	Instruments and standard measuring apparatus	Other Equipment	Total
I. Original book value:								
1. Beginning balance	12,483,275,351.66	3,651,599,313.46	670,288,515.13	544,577,888.46	1,857,967,751.88	62,492,268.92	63,695,106.56	19,333,896,196.07
2. Increased amount in current period	693,806,499.55	487,892,964.87	189,097,003.44	134,968,971.91	486,281,499.49	7,515,317.54	23,909,809.03	2,023,472,065.83
(1) Acquisition	81,896,639.28	3,964,047.63	31,719,860.50	120,841,034.41	32,997,150.15	3,085,983.04	7,461,878.58	281,966,593.59
(2) Construction in progress transferred	611,909,860.27	346,087,000.52	24,673,291.79	476,779.76	406,292,426.24	1,957,881.92	1,151,157.75	1,392,548,398.25
(3) Business combination increased		105,393,852.86	132,703,851.15	13,651,157.74	46,991,923.10	2,471,452.58	15,296,772.70	316,509,010.13
(4) Others		32,448,063.86						32,448,063.86
3. Decrement in current period	2,086,494,066.91	42,868,563.89	477,259.19	4,772,037.00	31,183,229.86	6,524,792.49	1,084,968.10	2,173,404,917.44
(1) Disposal or scrap	257,253,153.87	18,941,981.54	469,459.19	4,772,037.00	31,183,229.86	6,524,792.49	1,005,114.60	320,149,768.55

(2) Other decreases	1,829,240,913.04	23,926,582.35	7,800.00				79,853.50	1,853,255,148.89
4. Ending balance	11,090,587,784.30	4,096,623,714.44	858,908,259.38	674,774,823.37	2,313,066,021.51	63,482,793.97	86,519,947.49	19,183,963,344.46
II. Accumulated depreciation								
1. Beginning balance	7,247,650,622.78	832,778,752.12	340,065,608.40	415,298,044.84	802,143,545.30	39,245,851.42	41,880,217.21	9,719,062,642.07
2. Increased amount in current period	752,163,832.15	152,721,547.87	118,694,625.54	37,304,543.99	311,727,214.53	8,647,809.50	8,688,959.11	1,389,948,532.69
(1) Accrual	752,163,832.15	101,016,711.78	60,628,408.46	28,355,443.81	304,960,617.72	7,083,443.50	5,382,473.14	1,259,590,930.56
(2) Business combination increased		29,686,376.17	58,066,217.08	8,949,100.18	6,766,596.81	1,564,366.00	3,306,485.97	108,339,142.21
(3) Others		22,018,459.92						22,018,459.92
3. Decrement in current period	1,758,860,298.32	13,731,465.98	396,050.16	4,533,605.81	19,175,741.20	6,198,883.93	921,331.05	1,803,817,376.45
(1) Disposal or scrap	215,015,295.01	7,064,211.66	396,050.16	4,533,605.81	19,175,741.20	6,198,883.93	867,039.44	253,250,827.21
(2) Other decreases	1,543,845,003.31	6,667,254.32					54,291.61	1,550,566,549.24
4. Ending balance	6,240,954,156.61	971,768,834.01	458,364,183.78	448,068,983.02	1,094,695,018.63	41,694,776.99	49,647,845.27	9,305,193,798.31
III. Impairment reserves								

1. Beginning balance			13,546,549.57		1,051,574.73	5,364.47		14,603,488.77
2. Increased amount in current period								
(1) Accrual								
3. Decrement in current period								
(1) Disposal or scrap								
(2) Other decreases								
4. Ending balance			13,546,549.57		1,051,574.73	5,364.47		14,603,488.77
IV. Book value								
1. Ending book value	4,849,633,627.69	3,124,854,880.43	386,997,526.03	226,705,840.35	1,217,319,428.15	21,782,652.51	36,872,102.22	9,864,166,057.38
2. Beginning book value	5,235,624,728.88	2,818,820,561.34	316,676,357.16	129,279,843.62	1,054,772,631.85	23,241,053.03	21,814,889.35	9,600,230,065.23

(2). Temporarily idle fixed assets

Applicable Not applicable

(3). Fixed assets rented through financial leasing

Applicable Not applicable

(4). Fixed assets rented out through operating lease

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Book Value at the End of the Period
Fixed assets leased out by operating lease	30,986,039.00
Total	30,986,039.00

(5). Fixed assets with unavailable property right certificate

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Book value	Reason for not being granted property right certificates
Road property	9,640,563.34	In progress
Housing and building	244,917,178.09	In progress
Total	254,557,741.43	

Other explanations:

Applicable Not applicable

Liquidation of fixed assets

Applicable Not applicable

22. Construction in process**List of items**

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Construction in progress	15,088,605,406.82	8,632,754,009.79
Project goods and materials		
Total	15,088,605,406.82	8,632,754,009.79

Other explanations:

Applicable Not applicable

Construction in progress

(I). Construction in progress

√Applicable □Not applicable

Unit: Yuan; Currency: CNY

Item	Ending balance			Beginning balance		
	Book Balance	Impairment reserves	Book value	Book Balance	Impairment reserves	Book value
Widening and reconstruction of Ganggou toll station				3,905,973.44		3,905,973.44
Beijing-Taipei Expressway Dezhou-Qihe Section Renovation Expansion Project				6,128,657,900.98		6,128,657,900.98
Beijing-Taipei Expressway Jinan-Taian Section Renovation and Expansion Project	2,208,738,137.91		2,208,738,137.91	473,623,631.48		473,623,631.48
New TDCS for Yiyang Line				10,538,260.34		10,538,260.34
Lanshan Station Asphalt Grand Depot	16,072,618.82		16,072,618.82	6,671,883.90		6,671,883.90
Pinglan line expansion and renovation	101,700,077.83		101,700,077.83	2,535,784.37		2,535,784.37
New TDCS for Caoshou Line				4,646,542.05		4,646,542.05
Shouping railway	13,147,000.00	13,147,000.00		13,147,000.00	13,147,000.00	
Industrial Park Land Leveling	8,756,397.82		8,756,397.82	8,756,397.82		8,756,397.82
Dispatching Office Upgrading	20,150,635.75		20,150,635.75	20,150,635.75		20,150,635.75
Dalailong Railway Expansion and Reconstruction Project	2,011,757,390.33		2,011,757,390.33	1,689,535,500.05		1,689,535,500.05
Green Aggregate Development and Utilization Project in Rujiazhuang Mining Area, Linqu County	169,634,880.31		169,634,880.31	42,946,341.00		42,946,341.00
Green Transportation Products Industrial Park Project				80,052,703.92		80,052,703.92
CRTSIII Rail Board Smart Factory Project	17,151,757.47		17,151,757.47			
Changqing University Science and Technology Park Interchange Project				149,814,667.16		149,814,667.16

Reconstruction and Expansion Project of Jinnan-Heze Expressway	51,931,340.70		51,931,340.70			
Office Building of Development Zone	4,428,634.68		4,428,634.68			
Comprehensive Remediation Project for Inland River Basin of Donggang City	1,255,813,297.44		1,255,813,297.44			
Construction project of industrial sewage and reuse water treatment plant in Dayi County	1,922,178.78		1,922,178.78			
Water supply engineering project in Mazongshan Town, Subei Mongol Autonomous County, Gansu Province	784,686,772.55		784,686,772.55			
Comprehensive improvement project of the Central Urban District of Weifang Binhai Economic and Technological Development Zone	1,320,885,320.81		1,320,885,320.81			
Shahe Ecological Repair and Promotion (Phase I) Engineering Project of Lushan County	804,516,503.71		804,516,503.71			
Global sewage treatment project of Funan County	807,084,593.59		807,084,593.59			
Domestic wastewater treatment integrated project of Huangpi Township	600,557,823.55		600,557,823.55			
Ecological protection and repairing project for mountain, water, forest, field and lake Qishui River and perimeter zones in Yintai District, Tongchuan City	280,633,472.19		280,633,472.19			
The first phase of the ecological restoration and protection project of the	526,218,462.78		526,218,462.78			

Danhe Basin (Gaoping Section) of Gaoping City						
Comprehensive governance project for water environment in Mengcheng County, Anhui Province	1,038,154,519.35		1,038,154,519.35			
Phase II of rural human settlement environment promotion and reconstruction project (rural domestic waste treatment) of Qinhan New Town	175,751,074.04		175,751,074.04			
Water environmental governance project for the main urban area of Chongzhou City	455,602,692.80		455,602,692.80			
Franchise project for innocent treatment of kitchen garbage of Gaoling, Xi'an	4,608,052.81		4,608,052.81			
County sewage treatment and water environment project of Ankang City	1,781,477,232.83		1,781,477,232.83			
Water supply and water resources development project of Changning City	223,171,795.81		223,171,795.81			
Diversion from Qin River to Linfen Yaodu special line water quality promotion project of Linfen City	1,522,182.74		1,522,182.74			
Rushan Yintan water supply and discharge PPP project	351,634,390.50		351,634,390.50			
Others	64,043,168.92		64,043,168.92	10,917,787.53		10,917,787.53
Total	15,101,752,406.82	13,147,000.00	15,088,605,406.82	8,645,901,009.79	13,147,000.00	8,632,754,009.79

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

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item Description	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 the cumulative project input to the budget (%)	Project progress	Accumulated amount of capitalized interest	including: Capitalized amount of current interest	Capitalization rate of current interest (%)	Capital source
Beijing-Taipei Expressway Dezhou-Qihe Section Renovation Expansion Project	11,904,333,557.00	6,128,657,900.98	3,654,144,317.82	693,912,835.82	9,088,889,382.98		100.00	100.00	215,632,706.24	107,084,646.68	4.00	Borrowings and own funds

Beijing-Taipei Expressway Jinan-Taian Section Renovation and Expansion Project	6,622,000,000.00	473,623,631.5	1,735,114,506.43		2,208,738,137.91	55.00	55.00	13,732,570.56	13,732,570.56	3.85	Borrowings and own funds
Pinglan line expansion and renovation	1,200,000,000.00	2,535,784.37	99,164,293.46		101,700,077.83	0.21	0.21				Self-owned capital
Dalailong Railway Expansion and Reconstruction Project	4,520,000,000.00	1,689,535,500.05	322,221,890.28		2,011,757,390.33	45.11	45.11	66,598,850.02	42,643,488.91	4.16	Borrowings and own funds
Green Aggregate Development and Utilization Project in Rujiazhuang Mining Area, Linqu County	180,000,000.00	42,946,341.00	132,177,691.74	5,489,152.43	169,634,880.31	94.24	94.24	2,537,564.84	2,537,564.84	4.90	Borrowings and own funds

Green transportation products Industrial park project	220,000,000.00	80,052,703.92	38,382,039.74	118,434,743.66			100.00	100.00				Self-owned capital
CRTS III rail board smart factory project	146,681,300.00		17,151,757.47			17,151,757.47	12.00	12.00				Self-owned capital
Comprehensive Remediation Project for Inland River Basin of Donggang City	1,299,086,300.00		1,255,813,297.44			1,255,813,297.44	96.57	96.57	100,020,298.6	11,688,120	5.57	Borrowings and own funds
Construction project of industrial sewage and reuse water treatment plant in Dayi County	392,141,100.00		1,922,178.78			1,922,178.78	85.01	85.01	11,453,670.4		4.80	Borrowings and own funds

Water supply engineering project in Mazongshan Town, Subei Mongol Autonomous County, Gansu Province	970,043,900.00		784,686,772.55			784,686,772.55	81.43	81.43	59,504,327.94	10,484,560.42	5.28	Borrowings and own funds
Comprehensive improvement project of the Central Urban District of Weifang Binhai Economic and Technological Development Zone	1,650,000,000.00		1,320,885,320.81			1,320,885,320.81	75.86	75.86	57,679,587.23	11,345,534.27	6.56	Borrowings and own funds
Shahe Ecological Repair and Promotion (Phase I) Engineering Project of Lushan County	1,267,794,800.00		804,516,503.71			804,516,503.71	60.66	60.66	8,279,583.33	355,208.33	4.65	Borrowings and own funds

Global sewage treatment project of Funan County	972,315,800.00		807,084,593.59			807,084,593.59	83.01	83.01	51,833,219.86	8,318,640	4.99	Borrowings and own funds
Domestic wastewater treatment integrated project of Huangpi Township	738,430,000.00		600,557,823.55			600,557,823.55	80.93	80.93	36,073,046.29	2,504,590.56	4.70	Borrowings and own funds
Ecological protection and repairing project for mountain, water, forest, field and lake Qishui River and perimeter zones in Yintai District, Tongchuan City	393,040,300.00		280,633,472.19			280,633,472.19	68.51	68.51				Self-owned capital

The first phase of the ecological restoration and protection project of the Danhe Basin (Gaoping Section) of Gaoping City	892,759,900.00		526,218,462.78			526,218,462.78	57.00	57.00				Self-owned capital
Comprehensive governance project for water environment in Mengcheng County, Anhui Province	1,593,463,000.00		1,038,154,519.35			1,038,154,519.35	63.45	63.45	15,210,000.01	7,690,000	4.70	Borrowings and own funds

Phase II of rural human settlement environment promotion and reconstruction project (rural domestic waste treatment) of Qinhan New Town	798,780,500.00		175,751,074.04			175,751,074.04	21.36	21.36				Self-owned capital
Water environmental governance project for the main urban area of Chongzhou City	882,368,400.00		455,602,692.80			455,602,692.80	50.52	50.52				Self-owned capital
Franchise project for innocent treatment of kitchen garbage of Gaoling, Xi'an	245,710,100.00		230,155,414.59		225,547,361.78	4,608,052.81	93.42	93.42	2,339,719.97		4.55	Borrowings and own funds

County sewage treatment and water environment project of Ankang City	2,240,602,800.00		1,781,477,232.83			1,781,477,232.83	78.49	78.49				Self-owned capital
Water supply and water resources development project of Changning City	557,138,500.00		223,171,795.81			223,171,795.81	38.93	38.93				Self-owned capital
Diversion from Qin River to Linfen Yaodu special line water quality promotion project of Linfen City	365,190,000.00		1,522,182.74			1,522,182.74	0.76	0.76				Self-owned capital
Rushan Yintan water supply and discharge PPP project	452,802,100.00		351,634,390.50			351,634,390.50	77.66	77.66				Self-owned capital
Total	40,504,682,357.00	8,417,351,861.82	16,638,144,225.00	817,836,731.91	9,314,436,744.76	14,923,222,610.13			640,895,145.29	218,384,924.57		

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

Applicable Not applicable

Other explanations

Applicable Not applicable

Project goods and materials**(4). Project materials**

Applicable Not applicable

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

Applicable Not applicable

(2). Productive biological assets measured at fair value

Applicable Not applicable

Other explanations

Applicable Not applicable

24. Oil and gas assets

Applicable Not applicable

25. Right-of-use assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Housing and building	Land	Others	Total
I. Original book value				
1. Beginning balance	19,037,666.47	81,913,398.23	184,279.25	101,135,343.95
2. Increased amount in current period	2,854,685.37			2,854,685.37
(1) Rent	2,854,685.37			2,854,685.37
3. Decrement in current period				
(1) Disposal				
4. Ending balance	21,892,351.84	81,913,398.23	184,279.25	103,990,029.32
II. Accumulated depreciation				
1. Beginning balance	767,767.46	1,536,304.80		2,304,072.26
2. Increased amount in current period	5,495,079.31	4,087,974.03	41,328.68	9,624,382.02

(1) Accrual	5,495,079.31	4,087,974.03	41,328.68	9,624,382.02
3. Decrement in current period				
(1) Disposal				
4. Ending balance	6,262,846.77	5,624,278.83	41,328.68	11,928,454.28
III. Impairment reserves				
1. Beginning balance				
2. Increased amount in current period				
(1) Accrual				
3. Decrement in current period				
(1) Disposal				
4. Ending balance				
IV. Book value				
1. Ending book value	15,629,505.07	76,289,119.40	142,950.57	92,061,575.04
2. Beginning book value	18,269,899.01	80,377,093.43	184,279.25	98,831,271.69

Other instructions:

None

26. Intangible assets

(1). Intangible assets

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Land use right	Toll road franchise	Environmental protection project franchise rights	Office software	Mining Right	Proprietary technology	Others	Total
I. Original book value								
1. Beginning balance	2,566,806,830.31	56,927,019,187.08		98,621,080.40	458,257,172.82		14,606,456.95	60,065,310,727.56
2. Increased amount in current period	39,335,602.99	16,810,858,021.38	916,135,072.88	14,445,306.08		54,100,900.00	6,749,254.31	17,841,624,157.64
(1) Purchase	228,934.00			2,638,282.23			4,568,473.58	7,435,689.81
(2) Investment engineering	533,356.00	10,041,224,218.16	225,547,361.78	10,789,117.42				10,278,094,053.36
(3) Business combination increased	38,573,312.99	6,517,441,290.91	690,587,711.10	1,017,906.43		54,100,900.00	2,180,780.73	7,303,901,902.16
(4) Other increase		252,192,512.31						252,192,512.31
3. Decrement in current period	3,410,784.90	6,218,617.04						9,629,401.94
(1) Disposal	3,410,784.90							3,410,784.90
(2) Others		6,218,617.04						6,218,617.04
4. Ending balance	2,602,731,648.40	73,731,658,591.42	916,135,072.88	113,066,386.48	458,257,172.82	54,100,900.00	21,355,711.26	77,897,305,483.26
II. Accumulated amortization								
1. Beginning balance	760,242,175.92	11,085,372,437.47		50,698,005.24	40,119,444.44		2,640,558.46	11,939,072,621.53

2. Increased amount in current period	65,354,628.82	2,607,789,287.53	31,518,465.53	19,182,388.40		450,840.83	2,320,868.29	2,726,616,479.40
(1) Accrual	64,531,105.23	1,674,141,462.78	4,073,432.75	18,766,444.44		450,840.83	2,154,838.42	1,764,118,124.45
(3) Increased by business combination	823,523.59	933,647,824.75	27,445,032.78	415,943.96			166,029.87	962,498,354.95
3. Decrement in current period	2,510,716.56	33,203,397.42						35,714,113.98
(1) Disposal	2,510,716.56							2,510,716.56
(2) Others		33,203,397.42						33,203,397.42
4. Ending balance	823,086,088.18	13,659,958,327.58	31,518,465.53	69,880,393.64	40,119,444.44	450,840.83	4,961,426.75	14,629,974,986.95
III. Impairment reserves								
1. Beginning balance								
2. Increased amount in current period								
(1) Accrual								
3. Decrement in current period								
(1) Disposal								

4. Ending balance								
IV. Book value								
1. Ending book value	1,779,645,560.22	60,071,700,263.84	884,616,607.35	43,185,992.84	418,137,728.38	53,650,059.17	16,394,284.51	63,267,330,496.31
2. Beginning book value	1,806,564,654.39	45,841,646,749.61		47,923,075.16	418,137,728.38		11,965,898.49	48,126,238,106.03

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

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

□ Applicable √ Not applicable

Other explanations:

√Applicable □Not applicable

The composition of expressway toll management rights is as follows:

Item	Year-end balance		Balance at the beginning of year	
	Original value	Book value	Original value	Book value
Xuyu Expressway	1,159,912,039.68	690,359,748.89	1,159,917,671.59	710,851,501.32
Jinan-Laiwu Expressway	4,241,680,185.25	2,140,071,468.11	4,240,696,715.25	2,267,361,750.44
Weihai-Rushan Expressway	1,913,708,210.91	976,669,801.85	1,913,708,210.91	1,036,143,925.82
Jinan-Qingdao Expressway	23,883,574,440.37	22,543,472,075.36	23,082,374,550.40	22,283,579,522.14
Hengshao Expressway	4,813,253,975.14	4,025,496,803.92	4,813,253,975.14	4,130,783,426.06
Lijin Bridge	261,863,584.26	104,012,408.33	261,863,584.26	114,978,527.52
Jijin Expressway	2,220,472,820.40	1,561,190,075.99	2,219,258,040.46	1,611,705,065.63
Wujing Freeway	10,841,946,676.35	7,981,128,681.57	10,841,946,676.35	8,219,072,817.78
Jinan-Heze Expressway	4,664,958,420.27	2,293,790,883.89	4,521,480,174.13	2,326,172,522.12
Dezhou-Shangrao Expressway	2,953,755,493.99	2,225,078,478.27	2,953,755,493.99	2,313,262,233.31
Xinnan Expressway	918,764,094.60	801,829,081.16	918,764,094.60	827,735,457.47
Beijing-Taibei Expressway Dezhou-Qihe Section	9,340,327,359.29	9,276,626,304.42		
Luzhou-Chongqing Expressway	6,517,441,290.91	5,451,974,452.08		
Total	73,731,658,591.42	60,071,700,263.84	56,927,019,187.08	45,841,646,749.61

27. Development expenditures

□ Applicable √ Not applicable

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

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Name of investee or matters forming goodwill	Beginning balance	Increase in the current period		Current period	less	Ending balance
		Formed by business combination	Other increases	Disposal	Other deductions	
ECON Technology Co., Ltd		627,509,785.65				627,509,785.65
Total		627,509,785.65				627,509,785.65

Note: In November 2021, the company signed an equity investment agreement with KONKA Group Co., Ltd., former shareholder of ECON Technology Co., Ltd., Yantai Baijiangyuan Enterprise Management Center (Limited Partnership), Yantai Qingjiangchuan Enterprise Management Center (Limited Partnership), Yantai Qingrunyuan Enterprise Management Center (Limited Partnership) and Yantai Fengqingtai Investment Center (Limited Partnership), agreeing to acquire 22.92% equity of ECON Technology at CNY 599,894,393.28. Upon the completion of the equity transfer, the company increased capital of CNY 1,500,000,000.00 to ECON Technology. After the transaction was completed, the company held 51% equity of ECON Technology, which produced a goodwill of 627,509,785.65 yuan. For details of the counterparty's performance commitments to ECON Technology, please refer to the relevant content of the note "XIV, 2 Contingency, 4".

(2). Provision for impairment 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

The company will use the goodwill-related assets generated by acquiring ECON Technology as an asset group for impairment test, and use the current value of the expected future cash flow as its recoverable amount. The current value of the expected future cash flow of the asset group is determined based on the future cash flow prediction prepared by the management, with a perpetual growth rate of 0% and the discount rate of 10.23%. When the company conducts cash flow prediction on the asset group, the key assumption adopted is based on ECON Technology's past business performance, future business plan, industry level, and management's expectations for market development. As of December 31, 2021, according to the results of the impairment test of the company's management, the company's goodwill formed due to the merger and acquisition of ECON Technology has not undergone impairment.

(5). Impact of goodwill impairment test.

Applicable Not applicable

Other explanations

Applicable Not applicable

29. Long-term deferred expenses

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Beginning balance	Amount Increased in the Current Period	Amortization Amount in the Current Period	Other decreased amount	Ending balance
Decoration cost and others	5,197,995.98	42,785,849.85	7,191,827.15		40,792,018.68
Total	5,197,995.98	42,785,849.85	7,191,827.15		40,792,018.68

Other explanations:

None

30. Deferred income tax assets/deferred income tax liabilities

(1) Non-offset deferred income tax assets

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance		Beginning balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Deductible loss	2,244,042.60	561,010.65	78,410,008.65	19,602,502.16
Demolition loss	1,269,928,182.54	317,482,045.63	1,280,676,564.78	320,169,141.20
Deferred income	1,132,245,508.28	283,061,377.07	679,786,260.54	169,946,565.14
Provision for impairment of assets	543,838,410.55	115,834,191.28	295,535,463.52	71,340,763.75
Dismissal benefit	253,719,028.21	62,814,535.79	255,409,735.94	63,391,890.26
Estimated liabilities	70,927,277.30	17,731,819.33	101,720,420.11	25,430,105.03
Share-based payment	56,989,900.00	14,247,475.00	18,429,300.00	4,607,325.00
Unrealized profits from internal transactions	42,512,359.84	10,628,089.96	38,160,850.64	9,540,212.66
Road maintenance responsibility	163,767,700.00	40,941,925.00	176,750,566.50	44,187,641.63
Intangible asset replacement	19,025,586.60	4,756,396.65	16,033,134.52	4,008,283.63
Drawing expense in advance	18,327,299.21	2,749,094.88		
Total	3,573,525,295.13	870,807,961.24	2,940,912,305.20	732,224,430.46

(2) Non-offset deferred income tax liabilities

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance		Beginning balance	
	Taxable Temporary Differences	Deferred income tax liabilities	Taxable Temporary Differences	Deferred income tax liabilities
Appraisal and appreciation for consolidated assets of enterprises not under the same control	4,216,877,786.62	1,043,205,945.05	2,521,478,020.28	630,369,505.07
Depreciation and amortization of long-term assets	2,584,748,061.08	646,187,015.27	1,859,706,754.04	464,926,688.51
Accelerated depreciation of fixed assets	76,495,701.12	19,123,925.28	32,207,030.28	8,051,757.57
Changes in the fair value			2,568,219.20	642,054.80

Others	425,214.80	63,782.22		
Total	6,878,546,763.62	1,708,580,667.82	4,415,960,023.80	1,103,990,005.95

(3). Deferred income tax assets or liabilities presented in net amount after offset.

Applicable Not applicable

(4) Assets details of deferred income tax not recognized

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Deductible temporary differences	188,318,875.05	64,120,005.53
Deductible loss	2,219,863,953.57	2,043,689,425.42
Total	2,408,182,828.62	2,107,809,430.95

(5). The deductible loss of unconfirmed deferred income tax assets will expire in the following year

Applicable Not applicable

Unit: Yuan Currency: CNY

Year	Ending amount	Beginning amount	Remark
2021		240,192,439.18	
2022	371,955,216.24	372,138,172.81	
2023	427,147,928.51	422,969,337.90	
2024	517,457,254.49	529,136,333.88	
2025	562,307,453.70	477,022,902.40	
2026	338,114,346.40		
There is no maturity date.	2,881,754.23	2,230,239.25	
Total	2,219,863,953.57	2,043,689,425.42	/

Other explanations:

Applicable Not applicable

31. Other non-current assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance			Beginning balance		
	Book Balance	Impairment reserves	Book value	Book Balance	Impairment reserves	Book value
Advance payment for project and others	1,060,931,047.93		1,060,931,047.93	1,759,925,289.04		1,759,925,289.04
Letter of guarantee deposit (note)	10,000,000.00		10,000,000.00			
Agent-construction venous industrial park road network engineering project	23,463,565.16		23,463,565.16			
Total	1,094,454,613.15		1,094,394,613.15	1,759,925,289.04		1,759,925,289.04

	394,613.09		09	04		04
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Other explanations:

Note: In June 2018, Luzhou Southeast Expressway Development Co., Ltd., a subsidiary of the company, signed a contract for establishment of a letter of guarantee/standby letter of credit (No. 2018 DNGSBH Zi 001). For the national expressway network Chengyu loop line Yibin to Sichuan-Chongqing boundary expressway Luzhou section BOT project franchise contract, Luzhou Southeast Expressway Development Co., Ltd. provides a letter of guarantee of 10 million yuan to the people's government of Luzhou City. The letter of guarantee shall take effect from the date of establishment to June 15, 2023.

32. Short-term loans

(1). Classification of short-term loans

Applicable Not applicable

Unit: Yuan Currency: CNY		
Item	Ending balance	Beginning balance
Pledge borrowing		
Mortgage loan	130,304,766.30	60,000,000.00
Guaranteed loan	130,184,631.95	19,022,351.39
Credit loan	3,188, 105,913.34	2,781,996,170. 67
Total	3,448, 595,311.59	2,861,018, 522.06

Explanation on classification of short-term loans:

None

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

Applicable Not applicable

The important overdue short-term loans are as follows:

Applicable Not applicable

Other explanations

Applicable Not applicable

33. Trading financial liabilities

Applicable Not applicable

34. Derivative financial liabilities

Applicable Not applicable

35. Notes payable

(1). Presentation of bills payable.

Applicable Not applicable

Unit: Yuan Currency: CNY		
Type	Ending balance	Beginning balance
Commercial acceptance	227,270,898.50	186,356,624.59

bill		
Bank acceptance	295,222,224.40	89,716,204.50
Total	522,493,122.90	276,072,829.09

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

36. Accounts payable

(1). Presentation of account payable.

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Accounts Payable	9,997, 523, 588. 75	4,752, 653,371.86
Total	9,997, 523, 588. 75	4,752, 653,371.86

(2) Important accounts payable aged over 1 year

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Reason for non-payment or carry-over
Shaanxi Liyang Construction Engineering Co., Ltd.	467,593,620.10	The final account for completed project is on hold.
China Railway No. 4 Engineering Group Co., Ltd.	199,135,552.53	The final account for completed project is on hold.
Anhui Ruizhen Construction Engineering Co., Ltd.	167,125,618.38	The final account for completed project is on hold.
Yantai Railway Construction Administration	97,562,800.00	The final account for completed project is on hold.
Weifang Local Railway Administration	32,214,148.00	The final account for completed project is on hold.
Total	963,631,739.01	/

Other explanations

Applicable Not applicable

37. Advance receipts

(1). Presentation of accounts receivables in advance

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Advance receipts	65,488,847.83	77,515,694.58
Total	65,488,847.83	77,515,694.58

(2). Important advanced receipts aged over 1 year

Applicable Not applicable

Other explanations

Applicable Not applicable

38. Contract liabilities**(1). Contract liabilities**√Applicable Not applicable

Unit: Yuan; Currency: CNY

Item	Ending balance	Beginning balance
Advance payment	42,572,138.57	37,339,306.41
Freight received in advance	99,509,289.15	81,343,779.50
Project payment received in advance	67,651.20	785,028.85
Others	9,619,905.40	91,743.12
Total	151,768,984.32	119,559,857.88

(2) Amount whose book value changed significantly during the report period and reasons Applicable √ Not applicable

Other explanations:

 Applicable √ Not applicable**39. Payroll payable****(1) List of payroll payable**√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Short-term payroll	139,532,275.18	1,852,956,422.96	1,790,196,339.03	202,292,359.11
II. Post-employment benefits - defined contribution plans	833,292.21	266,489,801.92	266,593,636.42	729,457.71
III. Dismissal benefits		265,317.95	265,317.95	
IV. Other benefits due within one year				
Total	140,365,567.39	2,119,711,542.83	2,057,055,293.40	203,021,816.82

(2). List of short-term payment√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
I. Wage, bonus, allowance and subsidy	83,880,449.87	1,387,247,237.56	1,343,841,654.43	127,286,033.00
II. Employee services and benefits	682,520.50	105,934,262.52	105,638,790.52	977,992.50
III. Social insurance premium	10,528,902.89	150,575,089.56	149,408,609.40	11,695,383.05
Wherein: medical insurance premiums	632,286.87	89,581,892.98	89,923,351.69	290,828.16
Work-related injury insurance premiums	6,267.30	6,298,279.85	6,293,507.72	11,039.43

Maternity insurance premiums		260,722.64	260,722.64	
Supplementary insurance	9,890,348.72	54,434,194.09	52,931,027.35	11,393,515.46
IV. Housing provident fund	1,417,694.20	127,069,982.06	127,842,377.78	645,298.48
V. Labor union funds and employee education funds	41,682,958.15	48,828,048.08	30,509,770.83	60,001,235.40
VI. Short-term paid absences				
VII. Short-term profit sharing plan				
Non-monetary benefit		91,159.37	91,159.37	
Labor cost	1,339,749.57	33,210,643.81	32,863,976.70	1,686,416.68
Total	139,532,275.18	1,852,956,422.96	1,790,196,339.03	202,292,359.11

(3) Listed defined contribution plans

√Applicable □Not applicable

Unit: Yuan; Currency: CNY

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
1. Basic endowment insurance	399,797.76	171,661,114.81	171,583,952.73	476,959.84
2. Unemployment insurance premium	1,494.51	7,249,922.96	7,231,729.78	19,687.69
3. Payment of enterprise annuity	431,999.94	87,578,764.15	87,777,953.91	232,810.18
Total	833,292.21	266,489,801.92	266,593,636.42	729,457.71

Other explanations:

□ Applicable √ Not applicable

40. Tax payable

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Value-added tax	182,413,848.54	181,513,869.24
Consumption tax		
Turnover tax	55,826.48	55,826.48
Corporate income tax	437,251,534.83	432,181,343.96
Individual income tax	12,008,174.66	8,921,987.99
Urban maintenance and construction tax	13,456,670.90	9,540,839.33
Real estate tax	7,664,272.79	5,905,712.41
Education supplementary tax	10,216,302.86	7,501,787.19
Land use tax	2,098,557.25	1,373,419.57

Stamp duty	7,138,764.00	5,832,458.10
Value-added tax on land	2,560.00	10,632,887.68
Others	1,094,124.74	517,265.99
Total	673,400,637.05	663,977,397.94

Other instructions:

None

41. Listed presentation of other payables

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Interest payable		
Dividends payable	91,811,851.16	60,885,896.25
Other payables	4,209,678,090.96	3,663,337,839.43
Total	4,301,489,942.12	3,724,223,735.68

Other explanations:

Applicable Not applicable

Interest payable

(1). Presentation of categories

Applicable Not applicable

Dividends payable

(2). Presentation of categories

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Common stock dividends	63,730,044.87	43,208,818.62
Preferred shares/perpetual bonds dividend divided into equity instruments	28,081,806.29	17,677,077.63
Preferred stock\perpetual bond dividends	28,081,806.29	17,677,077.63
Total	91,811,851.16	60,885,896.25

Other explanations, including disclosure of reasons for important dividends payable overdue for more than one year:

None

Other payables

(1) Other payables according to payment nature

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Project funds	21,883,812.17	117,925,622.16
Current accounts and advance payments	2,070,257,441.49	380,772,795.43
Current accounts of related parties outside the combination	1,530,040,164.08	2,963,241,517.01
Project guarantee deposit	122,657,089.96	103,061,335.12
Equity transfer payable	430,597,578.85	86,938,613.46
Others	34,242,004.41	11,397,956.25
Total	4,209,678,090.96	3,663,337,839.43

(2) Other important accounts payable aged over one year

√Applicable □Not applicable

Unit: Yuan Currency:

Item	Ending balance	Reason for non-payment or carry-over
Shandong Railway Investment Holding Group Co., Ltd.	1,100,000,000.00	Investment fund for expansion and transformation of Dalailong
Shandong Railway Investment Holding Group Co., Ltd.	416,348,633.94	Disposal payment of local railway rights and interests
China Railway Jinan Group Co., Ltd.	125,176,323.82	Settlement condition not met
Shandong Zhonglan Railway Operation Co., Ltd.	82,212,798.72	Settlement condition not met
Henan Jukang Investment Co., Ltd.	55,438,613.46	Settlement condition not met
Total	1,779,176,369.94	—

Other explanations:

□ Applicable √ Not applicable

42. Held-for-sale liabilities

□ Applicable √ Not applicable

43. Non-current liabilities due within one year

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Long-term loans due within one year	2,445,615,724.32	3,888,020,908.49
Long-term payroll payable due within one year	89,393,162.89	80,215,223.94
Long-term loans due within one year	80,009,759.18	58,502,640.16
Lease liabilities due within one	7,091,279.97	6,315,402.57

year		
Long-term payables due within one year	34,478,292.59	2,760,000.00
Total	2,656,588,218.95	4,035,814,175.16

Other explanations:

None

44. Other current liabilities

Other current liabilities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Ultra-short-term financing bond	2,018,107,397.26	2,515,141,657.31
Output VAT pending transfer	11,896,528.76	14,683,604.39
Total	2,030,003,926.02	2,529,825,261.70

Increase and decrease of short-term bonds payable:

Applicable Not applicable

Unit: Yuan Currency: CNY

Bond name	Face value	Issuing date	Bond duration	Amount issued	Beginning balance	Current issuance	Accrued interest at nominal value	Amortization of the premiums and discounts	Current payment	Ending balance
Phase VIII of super short-term commercial paper in 2020	100	November 12, 2020	180 days	1,500,000,000.00	1,010,208,219.18		3,706,849.32		1,013,915,068.50	-
Phase IV of super short-term commercial paper in 2020	100	June 8, 2020	270Day	1,500,000,000.00	1,504,933,438.13		3,156,164.38		1,508,089,602.51	-
Phase I of super short-term commercial paper in 2021	100	January 29, 2021	90 days	1,000,000,000.00		1,000,000,000.00	7,397,260.27		1,007,397,260.27	-
Phase II of super short-term commercial paper in 2021	100	February 5, 2021	180 days	1,000,000,000.00		1,000,000,000.00	16,273,972.60		1,016,273,972.60	-

Phase III of super short-term commercial paper in 2021	100	March 12, 2021	90 days	1,000,000,000.00		1,000,000,000.00	6,657,534.25		1,006,657,534.25	-
Phase IV of super short-term commercial paper in 2021	100	March 18, 2021	90 days	1,000,000,000.00		1,000,000,000.00	6,632,876.71		1,006,632,876.71	-
Phase V of super short-term commercial paper in 2021	100	April 27, 2021	90 days	1,000,000,000.00		1,000,000,000.00	6,238,356.16		1,006,238,356.16	-
Phase VI of super short-term commercial paper in 2021	100	June 4, 2021	270 days	1,000,000,000.00		1,000,000,000.00	16,475,342.47	0	1.016.475.342.47	

Phase VII of super short-term commercial paper in 2021	100	July 23, 2021	90 days	1,500,000,000.00		1,500,000,000.00	4,062,699.26	1,504,062,699.26	-
Phase VIII of super short-term commercial paper in 2021	100	July 30, 2021	90 days	1,500,000,000.00		1,500,000,000.00	5,671,232.88	1,505,671,232.88	-
Phase IX of super short-term commercial paper in 2021	100	December 9, 2021	270 days	1,000,000,000.00		1,000,000,000.00	1,632,054.79	0	1,001,632,054.79
Total	/	/	/	12,500,000,000.00	2,515,141,657.31	10,000,000,000.00	77,904,343.09	10,574,938,603.14	2,018,107,397.26

Other explanations:

Applicable Not applicable

45. Long-term loans

(1) Classification of long-term loans

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Pledge borrowing	32,882,421,080.06	20,891,938,195.96
Guaranteed loan	1,960,012,199.63	1,274,000,000.00
Credit loan	14,986,561,097.11	15,160,755,441.89
Mortgage loan	182,000,000.00	224,000,000.00
Total	50,010,994,376.80	37,550,693,637.85

Description of long-term loan classification:

None

Other descriptions including interest rate range:

Applicable Not applicable

The interest rate range of long-term loan is 1.8%-7%.

46. Bonds payable

(1). Bonds payable

Applicable Not applicable

(2) Increase/decrease in bonds payable: (excluding preferred stocks, perpetual bonds and other financial instruments classified as financial liabilities)

Applicable Not applicable

(3) Conversion conditions and time 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

Changes in financial instruments such as outstanding preferred stocks and perpetual bonds 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 explanations:

Applicable Not applicable

47. Lease liabilities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Lease liabilities	82,985,159.05	92,242,390.24
Total	82,985,159.05	92,242,390.24

Other instructions:

None

48. Long-term payables

List of items

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Long-term payables	148,056,124.38	174,139,265.20
Special payable	307,170,000.00	307,170,000.00
Total	455,226,124.38	481,309,265.20

Other explanations:

Applicable Not applicable

Long-term payables

(1). Long term accounts payable listed by nature

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Beginning balance	Ending balance
Financial lease payables	125,494,035.21	24,139,265.20
Loans payable to Shandong Hi-Speed Group	22,562,089.17	150,000,000.00
Total	148,056,124.38	174,139,265.20

Other explanations:

None

Special payable**(2). Special accounts payables listed by nature**

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reasons
Special fund for Jilai expressway project	294,000,000.00			294,000,000.00	Note 1
Special fund for the westward relocation project of Shouguang locomotive depot of Yiyang railway	13,170,000.00			13,170,000.00	Note 2
Total	307,170,000.00			307,170,000.00	/

Other explanations:

Note 1: Of the special accounts payable, CNY 294,000,000.00 is the special fund allocated by Shandong Transportation Department for the construction of Jinan-Laiwu Expressway. According to the document No. [2005] 182 issued by the Transportation Department, 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 Transportation Department, which will be held by Shandong Highway Bureau as the investor on behalf of Shandong Transportation Department to carry out the management of the assets together with the Company and be entitled with the rights according to the ratio of investment. As of December 31, 2019, the investment ratio of Shandong Highway Bureau has yet to be determined, and no investment contract has been signed with the Company.

Note 2: Of the special accounts payable, CNY 13,170,000.00 is the special fund allocated by Shouguang People's Government for the construction of the Westward Relocation Project in Shouguang Section of Yiyang Railway. According to the Agreement on Investment and Construction of Westward Relocation Project in Shouguang Section of Yiyang Railway by Shouguang People's Government and Shandong Hi-speed Rail Transportation Group Co., Ltd., the investment in the construction of Shouguang Locomotive Depot of Yiyang Railway shall be borne by Shouguang people's government. As of December 31, 2020, the construction project of Yiyang Railway Locomotive Depot has not been implemented.

49. Long-term payroll payable

√Applicable □Not applicable

(1). Long term payroll payable.

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Estimated expenses for retired personnel	197,829,580.67	214,288,788.88
Total	197,829,580.67	214,288,788.88

(2). Changes in defined benefit plans.

Present value of defined benefit plan obligations:

Applicable Not applicable

Planned 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 explanations:

Applicable Not applicable

50. Estimated liabilities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Beginning balance	Ending balance	Reasons
Pending litigation	95,056,807.99	64,295,548.18	Litigation
Road maintenance responsibility preparation	176,750,566.50	163,767,700.00	
Mine environment restoration and control	14,778,754.70	14,778,754.70	
Total	286,586, 129.19	242,842,002.88	/

Other descriptions, including important assumptions and estimation for important estimated liabilities:

Note: On December 23, 2019, the Intermediate People's Court of Henan Province ruled that Shandong Railway Transportation Group Co., Ltd. bears the liquidated damages and deferred interest on the value of the land for the expansion of the Xinkai Railway, reduces creditor's rights and defers interest payment of Xinmi Chaozhua-Mazhen railway assets (2019Y01MC No. 1533). As of June 30, 2021, based on the judgment, an accrual total amount estimated liabilities of CNY 81,263,665.18 was formed, which mainly consisted of liquidated damages of CNY 68,632,151.00 and interest on liquidated damages of CNY 12,524,430.24.

In April 2021, the Higher People's Court of Henan Province restarted the trial process in accordance with the Supreme Court's judgment and made a final judgment on August 23, 2021. According to the Civil Judgment (2020) YM No. 226, the Civil Judgment (2019) Y01MC No. 1533 of the Intermediate People's Court of Zhengzhou, Henan Province was revoked, and Shandong High-speed Rail Transportation Group Co., Ltd. compensated Henan Zhongzhou Railway Holding Co., Ltd. 17 million yuan, bear the corresponding litigation costs. After Shandong Hi-speed Rail Transportation Group Co., Ltd. paid the above amount, the balance of estimated liabilities was CNY 64,263,665.18. According to relevant laws and regulations, Zhongzhou Holding Company has the right to file a retrial with the Supreme Court. As of the date of this report, it is still uncertain whether the Supreme Court will retry this case.

51. Deferred income

Details of deferred incomes

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Reasons
Government subsidies	1,301,200,949.99	581,083,566.46	63,474,665.92	1,818,809,850.53	
Rental fees collected in advance	292,312,900.07	270,230,382.56	28,491,839.07	534,051,443.56	
Total	1,593,513,850.06	851,313,949.02	91,966,504.99	2,352,861,294.09	/

Projects involved in government subsidies:

√ Applicable □ Not applicable

Unit: Yuan Currency: CNY

Project with liabilities	Beginning balance	Increased subsidies in the current period	Non-business income in the current period	Other incomes in the current period	Other changes	Ending balance	Asset-related/income-related
Special fund for energy saving and emission reduction	1,181,875.00			457,500.00			724,375.00
Compensation for construction of Xiaoxujia hub interchange to Lingdian interchange section of reconstruction and expansion project of Jinan-Qingdao Expressway	588,417,595.98	432,612,212.50		13,982,975.95			1,007,046,832.53
Cancellation of provincial border station project subsidies	95,947,437.09	12,295,624.55		24,509,179.32			83,733,882.32
Special project fund for reconstruction of toll station of Lijin Yellow River Highway Bridge	24,837,702.51			2,370,518.86			22,467,183.65
Subsidy for Dalailong railway project	27,373,271.88			829,493.08			26,543,778.80
Subsidy for Yiyang railway westward relocation project	540,126,340.44			18,778,739.88			521,347,600.56
Subsidy for track	16,448,327.16			374,626.56			16,073,700.60

slab project							
Office relocation reward	6,868,399.93			180,747.37			6,687,652.56
Reconstruction and expansion project of Dezhou-Qihe Section of Beijing-Taibei Expressway		57,000,000.00		366,581.65			56,633,418.35
Compensation for Project Yucheng east interchange construction							
Compensation for relocation and construction of toll station on Luzhou south interchange ramp of Luzhou-Chongqing Expressway		5,077,359.81		225,660.00			4,851,699.81
Compensation for relocation and construction of toll station on Luzhou south of Luzhou-Chongqing Expressway		15,362,495.32		682,776.00			14,679,719.32
Compensation for Hejiang Interchange project of Luzhou-Chongqing Expressway		11,891,702.23		528,516.00			11,363,186.23
Compensation for the reconstruction of signs on Luzhou Ring Expressway		3,165,992.82		149,196.00			3,016,796.82

Compensation for the demolition and restoration of the wall of Luyu Expressway Management Center		238,595.98		10,572.00			228,023.98
Phosphorus chemical and gypsum waste residue comprehensive utilization project		689,583.25	27,583.25				662,000.00
Subsidy for venous industry research and development center project		1,750,000.00					1,750,000.00
Funds for the ecological protection and restoration project of mountains, forests, fields, lakes, rivers and surrounding areas in Yintai District, Tongchuan City		40,000,000.00					40,000,000.00
Central island and sea area protection fund		1,000,000.00					1,000,000.00
Total	1,301,200,949.99	581,083,566.46	27,583.25	63,447,082.67			1,818,809,850.53

Other explanations:

Applicable Not applicable

52. Other non-current liabilities√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Contract liabilities	298,102.41	
Total	298,102.41	

Other instructions:

None

53. Share capital√Applicable Not applicable

Unit: Yuan Currency: CNY

	Beginning balance	Increase and decrease of this change (+, -)					Ending balance
		New shares issued	Bonus shares	Provident fund transferred to shares	Others	Subtotal	
Total share Quantity	4,811,165,857.00						4,811,165,857.00

Other explanations:

None

54. Other equity instrument**(1). Basic information of outstanding preferred shares, perpetual bonds and other financial instruments issued at the end of the period.** Applicable Not applicable**(2). Statement of changes in outstanding preferred shares, perpetual bonds and other financial instruments issued at the end of the period.**√Applicable Not applicable

Unit: Yuan Currency: CNY

Outstanding financial instruments	Beginning of the period		Increase in the current period		Decrease in the current period		Ending	
	Number	Book value	Number	Book value	Number	Book value	Number	Book value
Bohai Trust 2021				1,200,000.00				1,200,000.00

Jinsui B Trust plan						
Perpetual bonds		3,200,000,000.00		5,000,000,000.00		1,200,000,000.00
Total		3,200,000,000.00		6,200,000,000.00		1,200,000,000.00
						7,000,000,000.00
						8,200,000,000.00

Descriptions on changes in other equity instruments during the current period, and reasons for the changes, and basis for related accounting treatment:

Applicable Not applicable

Other explanations:

Applicable Not applicable

Note: the Company and the Agricultural Bank of China Wealth Management Co.,Ltd., as the client, has set up the "Bohai Trust*2021 Jinsui B Expressway Share Collective Fund Trust Plan". The trustee is Bohai International Trust Co., Ltd. and signed the Trust Contract of Bohai Trust*2021 Jinsui B Expressway Share Collective Fund Trust Plan. According to the trust contract, the trust plan has no fixed duration and the Company has the power to control the trust plan.

55. Capital reserves

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Capital premium (share premium)	2,508,171,350.09	225,877,817.99	1,582,380,400.00	1,151,668,768.08
Other capital reserves	18,429,300.00	38,560,600.00		56,989,900.00
Total	2,526,600,650.09	264,438,417.99	1,582,380,400.00	1,208,658,668.08

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

Note: The change in capital reserve this year was mainly due to the business combination of Qilu Expressway Co., Ltd. under common control. The capital reserve increased by CNY 778,500,000.00 at the beginning of the period, and the payment of the combination consideration of CNY 1,554,444,800.00 resulted in a write-off of the capital reserve of CNY 1,554,444,800.00.

56. Treasury stock

Applicable Not applicable

57. Other comprehensive income

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Beginning balance	Amount incurred in current period						Ending balance
		Pre-income tax amount in the current period	Minus: Amount included in other comprehensive incomes in the previous period and transferred to profit and loss for the current period	Minus: Amount included in other comprehensive incomes in the previous period and transferred to retained earnings for the current period	Less: Income tax expense	Amount attributable to parent company after tax	Amount attributable to minority shareholders after tax	
I. Other comprehensive income cannot be reclassified into profit and loss	-5,182,926.83	11,546,359.98				160,303.02	11,386,056.96	-5,022,623.81
Including: re-measurement in the defined benefit plan								
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	11,546,359.98				160,303.02	11,386,056.96	-5,022,623.81
Fair value changes of enterprise's credit risk								
II. Other comprehensive income that will be	-42,199,973.68	14,472,363.50				14,472,363.50		-27,727,610.18

reclassified into profits and losses								
Including: other comprehensive income that can be included in profit or loss under the equity method.	-42,199,973.68	14,472,363.50				14,472,363.50		-27,727,610.18
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								
Foreign currency converting difference in financial statements								
Total of other comprehensive income	-47,382,900.51	26,018,723.48				14,632,666.52	11,386,056.96	-32,750,233.99

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. Special reserves

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Safe production expense	95,654,456.55	20,283,854.61	2,518,559.29	113,419,751.87
Total	95,654,456.55	20,283,854.61	2,518,559.29	113,419,751.87

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

Note: The increase or decrease this year is the Expense for Safe Operation accrued and used by the Group, in accordance with provisions of the Circular from the Ministry of Finance and the State Administration of Work Safety on Issuing Measures for Administration of Extraction and Use of Enterprise Expense for Safe Operation (CQ [2012] No. 6).

59. Surplus reserves

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance
Statutory surplus reserves	3,388,948,843.13	187,579,719.53		3,576,528,562.66
Total	3,388,948,843.13	187,579,719.53		3,576,528,562.66

Description of surplus reserve including the increase and decrease of the current period and the reasons for the change:

None

60. Undistributed profits

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Current period	Previous period
Undistributed profits at the end of previous period before adjustment	18,254,274,865.21	17,975,791,829.92
Total amount of undistributed profits at the beginning of adjustment period ("+" for increase; "-" for decrease)	349,865,468.48	706,517,379.13
Undistributed profits at the beginning of the period after adjustment	18,604,140,333.69	18,682,309,209.05
Plus: Net profits attributable to owners of the parent company in the current period	3,052,287,782.41	2,280,635,743.62
Minus: Withdrawal of statutory surplus reserves	187,579,719.53	224,206,066.70
Withdrawal of surplus reserves		
Withdrawal of general risk reserves		
Common stock dividends payable	1,968,373,025.66	1,955,138,525.66
Ordinary stock dividend transferred to equity		

Dividends payable on other equity instruments	179,411,242.77	102,651,577.46
Business combination under common control		76,808,449.16
Undistributed profits at the end of the period	19,321,064,128.14	18,604,140,333.69

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 0yuan.
4. Due to change in the scope of combination caused by common control, the undistributed profit at the beginning of the period is affected by 349,865,468.48 yuan.
5. Due to other total amount of other adjustments, the undistributed profit at the beginning of the period is affected by 0 yuan.

61. Operating revenue and operating cost

(1). Operating revenue and operating cost.

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main business	15,762,196,229.05	9,023,000,587.96	12,818,296,882.44	8,166,391,220.07
Other business	441,382,198.92	160,815,604.16	185,073,347.68	41,386,234.60
Total	16,203,578,427.97	9,183,816,192.12	13,003,370,230.12	8,207,777,454.67

(2) Incomes from contracts

Applicable Not applicable

Unit: Yuan Currency: CNY

Contract classification	Operating income (current year)	Operating cost (current year)
Type of business		
Main business	15,762,196,229.05	9,023,000,587.96
Including: Toll revenue of Shandong Province	7,889,533,433.47	3,421,142,292.53
Toll revenue of Henan Province	331,043,628.62	139,724,229.66
Toll revenue of Hunan Province	243,443,692.31	161,979,584.42
Toll revenue of Hubei Province	989,059,024.52	336,523,283.68
Toll revenue of Sichuan Province	322,763,928.82	175,390,299.61
Revenue from railway transportation	2,108,740,348.26	1,623,299,512.15
Revenue from sale of goods	1,944,406,944.07	1,619,650,931.60
Revenue from project construction	1,226,944,610.13	900,501,810.22
Revenue from expressway trusteeship	593,569,386.74	557,772,539.51

Others	112,691,232.11	87,016,104.58
Other business	441,382,198.92	160,815,604.16
Including: Rental income	179,280,168.34	26,946,709.19
Others	262,102,030.58	133,868,894.97
Total	16,203,578,427.97	9,183,816,192.12

Description of income generated by the Contract:

Applicable Not applicable

(3). Notes on performance obligations

Applicable Not applicable

(4). Notes on apportion to remaining performance obligations

Applicable Not applicable

Other explanations:

None

62. Taxes and surcharges

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Urban maintenance and construction tax	41,711,256.91	30,098,807.57
Education supplementary tax	28,622,292.18	21,787,195.79
Real estate tax	18,066,519.36	14,220,361.26
Land use tax	7,956,872.04	6,219,954.56
Vehicle and vessel use tax	496,285.77	337,209.94
Stamp duty	9,193,465.74	11,247,689.32
Others	2,438,453.36	3,031,586.96
Total	108,485,145.36	86,942,805.40

Other explanations:

None

63. Sales expenses

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Advertising expenses	608,047.60	232,741.40
Operating expenses	3,259,426.71	2,445,032.31

Packing cost	4, 138, 717. 91	2,756,216. 72
Transportation expense		1,714, 332.32
Payroll	8, 425, 729. 54	2, 110, 908.81
Others	2,389, 118. 15	1,369, 851. 08
Total	18, 821, 039. 91	10, 629, 082. 64

Other explanations:

None

64. Administration expense

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Payroll	496, 082, 991. 29	392, 675, 580. 34
Depreciation and amortization expenses	64, 620, 649. 18	50, 892, 064. 19
Rental fee	15, 524, 717.24	11,139, 054. 83
Agent fee	31, 764, 124.24	39, 502, 384. 48
Others	127, 812, 910. 33	117, 193, 255. 35
Total	735, 805, 392. 28	611, 402, 339. 19

Other explanations:

None

65. Research and development expenditure

Applicable Not applicable

Unit: Yuan; Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Material consumption	42, 544,551.46	2, 038, 351. 14
Labor expenses	50, 941,738. 38	30, 094, 370. 49
Depreciation expense	390, 633. 45	4, 713, 864.20
Technical service fee	28, 306, 588. 25	19, 107, 581. 57
Others	13, 515, 139.83	11,678, 651. 77
Total	135, 698, 651. 37	67, 632, 819. 17

Other explanations:

None

66. Finance expense

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Interest expense	2,022, 079, 681.36	1,814, 067, 040. 93

Minus: interests income	84,786,233.71	109,950,358.07
Plus: Exchange losses	354,928.02	-2,516,442.38
Unconfirmed financing costs	4,987,683.55	2,615,989.71
Other expenditure	3,419,668.94	1,197,226.78
Total	1,946,055,728.16	1,705,413,456.97

Other explanations:

None

67. Other income

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Special fund for energy saving and emission reduction	457,500.00	457,500.00
Compensation for construction of Xiaoxujia hub interchange to Lingdian interchange section of reconstruction and expansion project of Jinan-Qingdao Expressway	13,982,975.95	25,559,066.52
Cancellation of provincial border station project subsidies	24,509,179.32	18,693,543.33
Special project fund for reconstruction of toll station of Lijin Yellow River Highway Bridge	2,370,518.86	82,297.49
Enterprise agglomeration support fund		5,000,000.00
Subsidy for Dalailong Railway Project	829,493.08	2,626,728.12
Subsidy for Yiyang railway westward relocation project	18,778,739.88	18,966,292.94
Subsidy for track slab project	374,626.56	374,626.56
Office relocation reward	180,747.37	180,747.37
Compensation for Yucheng East interchange construction of Deqi section reconstruction and expansion project of Beijing-Taibei Expressway	366,581.65	
Compensation for relocation and construction of toll station on Luzhou south interchange ramp of Luzhou-Chongqing Expressway	225,660.00	
Compensation for relocation and construction of toll station on Luzhou south of Luzhou-Chongqing Expressway	682,776.00	
Compensation for Hejiang Interchange project of	528,516.00	

Luzhou-Chongqing Expressway		
Compensation for the reconstruction of signs on Luzhou Ring Expressway	149,196.00	
Compensation for the demolition and restoration of the wall of Luyu Expressway Management Center	10,572.00	
Operation subsidy of Chengdu-Chongqing Ring Road	2,765,875.12	
Development award for equity investment enterprise	900,000.00	
Subsidy for enterprise research and development	7,415,690.00	741,300.00
2019 economic development contribution award		300,000.00
Subsidies for stabilizing posts	769,858.69	814,402.82
Refund of individual income tax	294,120.01	342,920.30
Intellectual property subsidy	300,000.00	
Others	684,845.19	343,384.97
Total	76,577,471.68	74,482,810.42

Other instructions:

None

68. Incomes from investment

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Long-term equity investment income calculated by the equity method	518,890,535.70	570,838,897.19
Investment income from disposal of long-term equity	17,958,592.98	9,316,362.59
Investment income of trading financial assets during the holding period	62,850,245.14	498,485,318.97
Dividend income from other equity instrument investment during holding period		
Interest income of debt investment during the holding period	375,400,734.86	399,342,008.52
Interest income from other debt investment during holding period		
Investment income from disposal of trading financial assets		
Investment income from disposal of other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from disposal of other		

debt investment		
Income from debt restructuring		
Total	975,100,108.68	1,477, 982, 587.27

Other instructions:

None

69. Net exposure hedge income

Applicable Not applicable

70. Change in fair value gains

Applicable Not applicable

Unit: Yuan Currency: CNY

Source of gains from changes in fair value	Amount incurred in the current period	Amount incurred in the previous period
Trading financial assets		2,568,219. 18
Including: Income on fair value changes resulting from derivative financial instruments		
Trading financial liabilities		
Investment real estate measured at fair value		
Total		2,568,219. 18

Other instructions:

None

71. Credit impairment loss

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Bad debt losses of notes receivable	-352,696.53	1,231,982.58
Bad debt losses of accounts receivable	-65,741,719.53	12,174,145.29
Bad debt losses of other receivables	-12,119,170.01	-53,529,950.48
Total	-78,213,586.07	-40,123,822.61

Other instructions:

None

72. Asset impairment loss

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
------	---------------------------------------	--

I. Bad debt loss		
II. Inventory falling price loss and impairment loss of contract performance cost	-26,438,000.78	-52,733,558.21
III. Impairment loss of long-term equity investment		
IV. Impairment loss of investment property		
V. Impairment loss of fixed asset		-13,519,773.09
VI. Impairment loss of construction material		
VII. Impairment loss of construction in progress		-13,147,000.00
VIII. Impairment loss of productive biological asset		
IX. Impairment loss of oil and gas asset		
X. Impairment loss of intangible asset		
XI. Impairment loss of goodwill		
12. Miscellaneous	117,728,973.43	-3,909,559.39
Total	91,290,972.65	-83,309,890.69

Other instructions:

None

73. Incomes from disposal of assets

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Income from disposal of non-current asset	12,036,683.48	2,187,877.86
Total	12,036,683.48	2,187,877.86

Other instructions:

None

74. Non-business income

Details of non-business income

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount recorded in non-recurring profit and loss of the current period
Total income from disposal of non-current assets	479,700.59	10,408,785.48	479,700.59
Including: income from	468,935.57	10,408,785.48	468,935.57

disposal of fixed assets			
Incomes from disposal of intangible assets	10,765.02		10,765.02
Government subsidies	14,493,842.21	26,283,921.32	14,493,842.21
Income from highway assets and highway property compensations	24,713,313.35	21,610,090.60	24,713,313.35
Other incomes	53,865,886.77	62,800,598.18	53,865,886.77
Total	93,552,742.92	121,103,395.58	93,552,742.92

Government subsidies included in current profit and loss

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Subsidy items	Amount incurred in current period	Amount incurred in previous period	Asset-related/income-related
Reward for enterprises above the designated size in service industry in 2019		120,000.00	Incomes related
Reward for enterprises above the designated size in service industry in 2019	1,100,000.00		Incomes related
Incentive funds	8,910,000.00	19,670,000.00	Incomes related
Kaifu District investment promotion award	3,225,000.00	1,688,100.00	Incomes related
Economic development award	144,000.00		Incomes related
Incentive funds for utilizing foreign capital	194,700.00	4,487,100.00	Incomes related
Innovation and entrepreneurship policies funds		100,000.00	Incomes related
2019 logistics enterprise support fund		100,000.00	Incomes related
2020 logistics enterprise support fund	600,000.00		Incomes related
Subsidy fund for on-the-job training	266,000.00		Incomes related
Government subsidy for phosphorus chemical industry and gypsum waste residue resources comprehensive utilization project	27,583.25		Incomes related
Others	26,558.96	118,721.32	Incomes related

Total	14,493,842.21	26,283,921.32	
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Other explanations:

Applicable Not applicable

75. Non-business expenditure

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period	Amount recorded in non-recurring profit and loss of the current period
Total losses from disposal of non-current assets	29,507,111.07	39,526,763.76	29,507,111.07
Donation	168,000.00	10,023.72	168,000.00
Penalty cost	88,859.24	54,098.50	88,859.24
Others	29,999,679.83	16,726,814.63	29,999,679.83
Total	59,763,650.14	56,317,700.61	59,763,650.14

Other explanations:

None

76. Income tax expense

(1). Income tax expenses table

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Current income tax expense	1,186,311,402.92	987,150,415.85
Deferred income tax expense	81,062,058.64	64,784,787.00
Total	1,267,373,461.56	1,051,935,202.85

(2). Adjustment for accounting profits and income tax expenses

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period
Total profits	5,185,477,021.97
Income tax expense calculated according to statutory/applicable tax rate	1,296,369,255.49
Impact of subsidiaries using different tax rates	-39,218,792.68
Effect of income tax before adjustment	15,217,837.70
Effect of non-taxable income	-31,888,438.18
Effect of non-deductible costs, expenses and losses	35,111,809.71
Effect of deductible loss of unconfirmed deferred income tax assets in early use period	-52,410,632.21
Effect of unconfirmed deductible temporary difference or deductible loss of deferred income tax	65,170,156.34

assets of current period	
Impact of income tax on R&D expenditure plus deduction and intangible assets plus amortization	-20,869,721.71
Others	-108,012.90
Income tax expenses	1,267,373, 461.56

Other explanations:

Applicable Not applicable

77. Other comprehensive income

Applicable Not applicable

For details, please refer to the note "VII. 57 Other comprehensive income"

78. Cash flow statement items

(1). Other cash received related to operating activities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Current account and deposit	418,345,821.53	1,681,084,219.54
Government subsidies	516,313,074.91	471,683,572.33
Income from highway assets and highway property compensations	24,713,313.35	21,610,090.60
Interest incomes	45,910,512.50	49,328,161.16
Rental income	158,364,868.83	91,868,691.78
Others	83,085,708.02	275,418,896.67
Total	1,246, 733, 299. 14	2,590, 993, 632. 08

Description of other cash received related to operating activities:

None

(2). Other cash paid related to operating activities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Current account and deposit	1,079, 671, 144. 05	256,365,984.79
Selling expenses	10,552,602.97	10,629,082.64
Administrative expenses	188,879,831.46	195,323,608.60
Research and development (R&D) expenses	84,366,279.54	32,824,584.48
Others	8,100, 278. 77	781,947.07
Total	1,371,570,136. 79	495,925,207.58

Description of other cash paid related to operating activities:

None

(3) Other cash received related to investment activities

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Received loan payments from Puyuan company	130,000,000.00	534,921,186.42
Received payments from the Group before combination with the Rail Transportation		329,490,929.58
Received loan payments from Xicheng Real Estate	100,000,000.00	
Received loan payments from Bosideng	319,900,000.00	
Collection of the funds deposited in Kangjia Group	29,244,137.64	
Cash received from subsidiaries	53,810,372.08	
Collection of the funds from Shanghai Zhida	5,667,517.68	4,586,476.11
Collection of equity investment intention money	400,000.00	
Total	639,022,027.40	868,998,592.11

Other cash received related to investment activities:

None

(4). Other cash paid related to investment activities:

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Payment of the funds deposited in Kangjia Group	30,573,182.47	
Intention money for equity acquisition		400,000.00
Net cash received from disposal of subsidiaries	20,086,984.02	10,441,593.13
Payment of the repurchase of housing and land of Jihe Expressway	2,760,000.00	2,760,000.00
Total	53,420,166.49	13,601,593.13

Description of other investment related to financing activities:

None

(5). Other cash received related to fundraising activities

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current	Amount incurred in the
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	period	previous period
Investment fund for expansion and transformation of Dalailong		600,000,000.00
Collection of finance lease outlay-	40,000,000.00	
Collection of pledged loan deposit	10,546.83	
Total	40,010,546.83	600,000,000.00

Other cash received related to fundraising activities

None

(6). Other cash paid related to fundraising activities

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Repayment of Trust No. 1 Fund		2,000,000,000.00
Repayment of perpetual debt	1,200,000,000.00	
Payment of the equity transfer of Rail Transportation		3,487,254,636.00
Payment of equity transfer of Dezhou-Shenxian Expressway		2,345,400,595.95
Payment for equity transfer of Qilu Expressway	1,554,444,800.00	
Payment of loans to shareholders of Yikang Technology	1,350,000,000.00	
Underwriting fee for super & short-term commercial paper	2,511,949.88	10,663,814.22
Payment of rental fee	11,876,324.76	2,844,769.39
Payment of finance lease outlay-	7,025,132.47	
Payment of the pledge margin deposit	10,546.83	
Total	4,125,868,753.94	7,846,163,815.56

Description of other cash paid related to fundraising activities:

None

79. Supplementary data for cash flow statement

(1) Supplementary information of cash flow statement

Applicable Not applicable

Unit: Yuan Currency: CNY

Supplemental information	Amount in the current period	Amount in the previous period
1. Net profit adjusted as operating cash flow:		
Net profits	3,918,103,560.41	2,760,210,545.63
Plus: Asset impairment reserves	-91,290,972.65	83,309,890.69
Credit impairment loss	78,213,586.07	40,123,822.61
Depreciation of fixed assets, loss of oil and gas assets and depreciation of	1,292,094,113.37	1,173,729,646.75

productive biological assets		
Amortization of right-of-use assets	9,624,382.02	
Amortization of intangible assets	1,764,118,124.45	1,573,847,559.74
Amortization of long-term deferred expenses	7,191,827.15	1,392,910.20
Loss on disposal of fixed assets, intangible assets and other long-term assets ("- for income)	-12,036,683.48	-1,892,517.97
Loss on retirement of fixed assets ("- for income)	29,027,410.48	28,822,618.39
Loss from fair value change ("- for income)		-2,568,219.18
Financial expenses ("- for income)	1,950,771,616.06	1,814,166,588.26
Investment losses ("- for income)	-975,100,108.68	-1,477,982,587.27
Decrease in deferred income tax assets ("- for increase)	-70,062,923.92	-63,828,275.93
Increase in deferred income tax liabilities ("- for decrease)	166,839,651.68	129,500,312.38
Decrease in inventories ("- for increase)	-12,379,356.74	470,313,124.58
Decrease in operating receivables ("- for increase)	1,331,738,596.60	-80,922,768.10
Increase in operating payables ("- in decrease)	407,597,532.51	-1,000,842,291.51
Others	36,714.35	-152,764.74
Net cash flows from operating activities	9,794,487,069.68	5,447,227,594.53
2. Significant investment and financing activities not involved with cash income and expenditure:		
Conversion of debt into capital		
Convertible corporate bond due within one year		
Fixed assets under financing lease		
3. Net changes in cash and cash equivalents:		
Cash at end of the period	4,420,178,481.88	2,260,469,980.30
Minus: Cash at beginning of the period	2,260,469,980.30	3,163,015,478.34
Plus: Cash equivalents at end of the period	5,449,978.94	3,511,932.78
Minus: Cash equivalents at beginning of the period	3,511,932.78	3,505,079.61
Net increase in cash and cash equivalents	2,161,646,547.74	-902,538,644.87

(2). Current net cash paid for the acquisition of subsidiaries

√Applicable □Not applicable

Unit: Yuan Currency: CNY

	Amount
Cash or cash equivalents paid in the current period by business combination in the current period	2,809,933,841.25
Including: Luzhou Southeast Expressway Development Co., Ltd.	860,039,447.97
ECON Technology Co., Ltd	1,949,894,393.28

Minus: cash and cash equivalents held by subsidiaries on the purchased date	714,982,321.15
Including: Luzhou Southeast Expressway Development Co., Ltd.	50,050,691.26
ECON Technology Co., Ltd	664,931,629.89
Plus: cash or cash equivalents paid in the current period for business combination in the previous period	
Including: Luzhou Southeast Expressway Development Co., Ltd.	
ECON Technology Co., Ltd	
Net cash paid for acquisition of subsidiaries	2,094,951,520.1

Other explanations:

None

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

Applicable Not applicable

Unit: Yuan Currency: CNY

	Amount
Cash or cash equivalents received from disposal of subsidiaries in the current period.	
Including: Shandong Hi-Speed Renhe Development Co., Ltd.	
Minus: cash and cash equivalents held by the subsidiaries on the date of loss of control over the subsidiaries	20,086,984.02
Including: Shandong Hi-Speed Renhe Development Co., Ltd.	20,086,984.02
Plus: cash or cash equivalents received from disposal of subsidiaries in the previous period.	
Including: Shandong Hi-Speed Renhe Development Co., Ltd.	
Net cash received from disposal of subsidiaries	-20,086,984.02

Other instructions:

None

(4). Composition of cash and cash equivalents

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
I. Cash	4,420,178,481.88	2,260,469,980.30
Including: Cash on hand	49,829.31	127,223.75
Bank deposits that can be used for payment at any time	4,420,128,652.57	2,260,342,756.55
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		
Call loans to banks		
II. Cash equivalents	5,449,978.94	3,511,932.78
Including: fixed deposits due within one year	5,449,978.94	3,511,932.78
III. Ending balance of cash and cash equivalents	4,425,628,460.82	2,263,981,913.08

Including: Cash and cash equivalents with restricted use right in parent company or subsidiaries		
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Other explanations:

Applicable Not applicable

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

Description 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: CNY

Item	Book Value at the End of the Period	Restricted reason
Monetary funds	307,881,957.39	Margin and litigation frozen funds
Receivable financing	51,970,000.00	Pledge
Intangible assets	39,308,896,970.15	Loan by pledge or mortgage
Fixed assets	31,298,108.48	Mortgage loan
Construction in progress	351,634,390.50	Pledge borrowing
Other non-current assets	10,000,000.00	Deposit
Total	40,061,681,426.52	/

Other explanations:

None

82. Foreign currency monetary items

(1). Foreign currency monetary items

Applicable Not applicable

Unit: Yuan

Item	Ending balance of foreign currency	Conversion exchange rate	Ending balance of converted CNY
Monetary funds	1,546,915.87	0.8176	1,264,758.42
Including: USD			
EUR			
Hong Kong dollar	1,546,915.87	0.8176	1,264,758.42
Accounts receivable	-	-	
Including: USD			
EUR			
Hong Kong dollar			
Long-term loans	-	-	
Including: USD			

EUR			
Hong Kong dollar			

Other instructions:

None

(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) Basic information on governmental subsidies

Applicable Not applicable

Unit: Yuan Currency: CNY

Type	Amount	Presented item	Amount included in the profit and loss in the current period
Special fund for energy saving and emission reduction	724,375.00	Deferred income/other income	457,500.00
Compensation for construction of Xiaoxujia hub interchange to Lingdian interchange section of reconstruction and expansion project of Jinan-Qingdao Expressway	1,007,046,832.53	Deferred income/other income	13,982,975.95
Cancellation of provincial border station project subsidies	83,733,882.32	Deferred income/other income	24,509,179.32
Special project fund for reconstruction of toll station of Lijin Yellow River Highway Bridge	22,467,183.65	Deferred income/other income	2,370,518.86
Subsidy for Dalailong office building	26,543,778.80	Deferred income/other income	829,493.08
Subsidy for Yiyang railway westward relocation project	521,347,600.56	Deferred income/other income	18,778,739.88
Subsidy for track slab project	16,073,700.60	Deferred income/other income	374,626.56
Office relocation reward	6,687,652.56	Deferred income/other income	180,747.37
Compensation for	56,633,418.35	Deferred income/other	366,581.65

Yucheng East interchange construction of Deqi section reconstruction and expansion project of Beijing-Taibei Expressway		income	
Compensation for relocation and construction of toll station on Luzhou south interchange ramp of Luzhou-Chongqing Expressway	4,851,699.81	Deferred income/other income	225,660.00
Compensation for relocation and construction of toll station on Luzhou south of Luzhou-Chongqing Expressway	14,679,719.32	Deferred income/other income	682,776.00
Compensation for Hejiang Interchange project of Luzhou-Chongqing Expressway	11,363,186.23	Deferred income/other income	528,516.00
Compensation for the reconstruction of signs on Luzhou Ring Expressway	3,016,796.82	Deferred income/other income	149,196.00
Compensation for the demolition and restoration of the wall of Luyu Expressway Management Center	228,023.98	Deferred income/other income	10,572.00
Subsidy for venous industry research and development center project	1,750,000.00	Deferred income	
Funds for the ecological protection and restoration project of mountains, forests, fields, lakes, rivers and surrounding areas in Yintai District, Tongchuan City	40,000,000.00	Deferred income	
Central island and sea area protection fund	1,000,000.00	Deferred income	
Government subsidy for phosphorus chemical industry and gypsum waste residue resources comprehensive utilization project	662,000.00	Other incomes/non-business revenues	27,583.25
Operation subsidy of Chengdu-Chongqing Ring Road	2,765,875.12	Other incomes	2,765,875.12

Development award for equity investment enterprise	900,000.00	Other incomes	900,000.00
Subsidy for enterprise research and development	7,415,690.00	Other incomes	7,415,690.00
Subsidies for stabilizing posts	769,858.69	Other incomes	769,858.69
Refund of individual income tax	294120.01	Other incomes	294120.01
Intellectual property subsidy	300,000.00	Other incomes	300,000.00
Reward for enterprises above the designated size in service industry	1,100,000.00	Non-business income	1,100,000.00
Incentive funds	8,910,000.00	Non-business income	8,910,000.00
Economic development award	144,000.00	Non-business income	144,000.00
Incentive funds for utilizing foreign capital	194,700.00	Non-business income	194,700.00
2020 logistics enterprise support fund	600,000.00	Non-business income	600,000.00
Subsidy fund for on-the-job training	266,000.00	Non-business income	266,000.00
Rewards for attracting investment	3,225,000.00	Non-business income	3,225,000.00
Others	711,404.15	Non-business income/ other incomes	711,404.15
Total	1,846,406,498.50		91,071,313.89

(2). Return of governmental subsidies

Applicable Not applicable

Other explanations:

None

85. Others

Applicable Not applicable

VII. Changes in the combination scope**1. Business combination under different control**

Applicable Not applicable

(1) Business combination involving entities not under common control during the period

Applicable Not applicable

Unit: Yuan Currency: CNY

Name of the acquiree	Date of equity acquisition	Cost for acquisition of share	Proportion of share acquired (%)	Method of share acquisition	Acquisition date	Determination basis of acquisition date	Income of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period
Luzhou Southeast Expressway Development Co., Ltd.	January 13, 2021	1,448,839,447.96	80%	Acquisition	January 13, 2021	Acquisition of control	350,076,222.48	55,889,780.88
ECON Technology Co., Ltd	November 26, 2021	2,099,894,393.28	51%	Acquisition	November 26, 2021	Acquisition of control	921,874,983.93	233,221,198.66

Other explanations:

None

(2) Costs of business combinations and goodwill

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Cost of business combination	Luzhou Southeast Expressway Development Co., Ltd.	ECON Technology Co., Ltd
-Cash	1,448,839,447.96	2,099,894,393.28
-Fair value of non-cash assets		
-Fair value of liabilities issued or assumed		
-Fair value of equity securities issued		
-Fair value of contingent consideration		
-Fair value of equity held before the acquisition date on the acquisition date		
- Others		
Total cost of business combination	1,448,839,447.96	2,099,894,393.28
Minus: Fair value of identifiable net assets acquired	1,448,839,447.96	1,472,384,607.63
Amount of goodwill/comboination cost less than the share of fair value of identifiable net asset acquired		627,509,785.65

Description on the method for measuring the fair value of combination cost, contingent consideration and its changes:

The fair value of some identifiable assets or liabilities of the consolidated subsidiary is determined by the valuation results determined by China United Assets Appraisal Group Co., Ltd.

The main reason for formation of large-sum goodwill:

The acquisition of Yikang Technology is not under common control, which is a market-oriented transaction, and the pricing is the result of negotiation between the two parties.

Other explanations:

None

(3). Identifiable assets and liabilities of acquiree on the acquisition date

Applicable Not applicable

Unit: Yuan Currency: CNY

	Luzhou Southeast Expressway Development Co., Ltd.		ECON Technology Co., Ltd	
	Fair value on the acquisition date	Book value on the acquisition date	Fair value on the acquisition date	Book value on the acquisition date
Asset:	6, 107, 038, 386.14	4,620,511,334. 38	16,318,277,181.72	16,032,687,683.08
Monetary funds	50,050,691. 26	50,050,691.26	861,969,626.15	861,969,626.15
Accounts receivable	2,370, 060. 00	2,370, 060. 00	474,735,548.86	474,735,548.86
Advance payments	115,257.56	115,257.56	42,559,511.55	42,559,511.55
Other receivables	327,745,484.11	327,745,484.11	1,556,773, 380.35	1,556,773, 380.35
Inventory			75,407,154.34	75,407,154.34
Contract assets			2,277,912, 740.25	2,277,912, 740.25
Other current assets			488,425,876.58	488,425,876.58
Long-term equity investments			405,250,654.48	381,996,497.03
Other equity instruments investments			1,501,956. 00	1,501,956. 00
Long-term receivables	58,788,200. 00	58,788,200.00		
Fixed assets	40,055,372. 50	40,055,372.50	167,888,808.12	168,875,541.97
Construction in progress	519,760.00	519,760.00	9,124, 241,513.24	8,920,015, 788.13
Intangible assets	5,583,848,106.16	4,097, 321,054. 40	757,149,644.22	698,053,294.29
Long-term unamortized expenses	33,545,454. 55	33,545,454.55	5,289, 501.96	5,289, 501.96

Deferred income tax assets			55,707,700.46	55,707,700.46
Other non-current assets	10,000,000. 00	10,000,000.00	23,463,565.16	23,463,565.16
Liabilities:	4,295,989,076.19	3,924,357,313.25	12,851,465,573.47	12,787,577,446.93
Short-term borrowings			259,880,246.62	259,880,246.62
Notes payable			323,641,600.00	323,641,600.00
Payables	31,689,205. 59	31,689,205.59	5,134, 924, 187.64	5,134, 924, 187.64
Contract liabilities			9,555, 120. 94	9,555, 120. 94
Advance receipts	2,309,144.98	2,309, 144. 98		
Employee pay payable	656,555.83	656,555.83	24,710,956.68	24,710,956.68
Taxes and dues payable	1,110, 842. 15	1,110, 842.15	90,636,846.77	90,636,846.77
Other payables	7,639, 480. 66	7,639, 480. 66	1,942, 667, 686.21	1,942, 667, 686.21
Non-current liabilities due within one year			169,993,018.79	169,993,018.79
Other current liabilities	2,913, 438.16	2,913, 438. 16	769,138.76	769,138.76
Long-term loans	3,536, 090, 000. 00	3,536, 090, 000. 00	4,715,113,758.55	4,715,113,758.55
Long-term payables	36,945,800. 00	36,945,800.00	66,138,792.61	66,138,792.61
Deferred income	305,002,845.88	305,002,845.88	43,439,583.25	43,439,583.25
Deferred income tax liabilities	371,631,762.94		69,478,713.48	5,590, 586. 94
Other non-current liabilities			515,923.17	515,923.17
Net assets	1,811,049,309.95	696,154,021.13	3,466,811,608.25	3,245, 110,236. 15
Minus: Minority shareholder's equity	362,209,861.99	139,230,804.23	1,994, 427, 000. 62	1,838,774, 806. 54
Net asset acquired	1,448,839,447.96	556,923,216.90	1,472, 384, 607. 63	1,406,335, 429.61

Method for measuring the fair value of identifiable assets and liabilities:

The fair value of some identifiable assets or liabilities of the consolidated subsidiary is determined by the valuation results determined by China United Assets Appraisal Group Co., Ltd.

Contingent liabilities of the acquiree assumed in the business combination:

None

Other explanations:

None

(4). Gains or losses arising from the remeasurement of equity held before the purchase date at fair value

Whether there is a transaction that realizes business integration step by step through multiple transactions and obtains control during the reporting period

Applicable Not applicable

(5). Relevant notes on merger consideration or fair value of acquiree's identifiable assets and liabilities that cannot be recognized reasonably on the acquisition date or at the end of current merger

Applicable Not applicable

(6). Other description

Applicable Not applicable

2. Business combination under common control

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan Currency: CNY

Name of the combined party	Proportion of equity obtained in business combination	Basis for the constituting of business combination under common 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
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Qilu Expressway Co., Ltd.	38.925%	Under the common control of parent company together with the Company	November 10, 2021	Acquisition of control	1,522,902,772.83	724,944,893.28	1,638,205,448.97	620,775,145.78
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Other explanations:

None

(2). Costs of business combinations and goodwill

Applicable Not applicable

Unit: Yuan Currency: CNY

Cost of business combination	Qilu Expressway Co., Ltd.
- Cash	1,554,444,800.00
- Book value of non-cash assets	
- Book value of debt issued or assumed	
- Face value of equity securities issued	

Description for contingent consideration and its changes:

None

Other explanations:

The Company combined Qilu Expressway Co., Ltd. under common control, and the combination cost was the cash consideration of CNY 1,554,444,800.00.

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

Applicable Not applicable

Unit: Yuan Currency: CNY

	Qilu Expressway Co., Ltd.	
	Date of combination	Ending of the previous period
Asset:	6,460,550,384.37	6,760,108,578.42
Monetary funds	302,510,727.68	74,731,157.04
Trading financial assets	150,000,000.00	464,804,129.22
Accounts receivable	107,267,117.72	68,174,226.66
Receivable financing	200,000.00	364,816.00
Advance payments	3,558,186.80	717,328.12
Other receivables	10,858,470.38	16,728,548.37
Inventory	4,563,393.52	3,876,353.86
Contract assets	24,275,262.14	3,265,850.74
Other current assets	5,682,028.99	63,074.59

Long-term equity investments	20,973,681.78	20,973,681.78
Investment real estate	19,821,501.12	20,559,510.52
Fixed assets	298,382,367.37	332,549,386.67
Construction in progress	10,397,023.40	151,992,923.88
Usufruct assets	74,270,103.62	78,173,313.93
Intangible assets	5,375,128,028.39	5,470,507,222.78
Deferred income tax assets	52,626,289.08	52,602,554.26
Other non-current assets	36,202.38	24,500.00
Liabilities:	3,196,786,047.35	3,861,289,134.68
Loans		
Payables	65,547,595.35	84,911,498.12
Advance receipts	9,642,173.37	8,261,221.81
Contract liabilities	13,209,634.98	785,028.85
Employee pay payable	10,906,528.69	35,436,669.34
Taxes and dues payable	31,250,919.48	90,081,219.40
Other payables	51,066,112.15	239,921,847.54
Non-current liabilities due within one year	424,810,571.50	339,580,896.44
Long-term loans	2,248,095,000.00	2,572,712,000.00
Lease liabilities	72,426,050.54	75,911,342.92
Long-term payables	22,364,951.81	174,139,265.20
Estimated liabilities	181,750,566.50	177,467,609.31
Deferred income tax liabilities	65,715,942.98	62,080,535.75
Net assets	3,263,764,337.02	2,898,819,443.74
Minus: Minority shareholder's equity	1,993,344,068.83	1,770,453,975.26
Net asset acquired	1,270,420,268.19	1,128,365,468.48

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

None

Other explanations:

None

3. Reverse acquisition

Applicable Not applicable

4. Disposal of subsidiaries

Whether there is a loss of control over the investments of subsidiaries in a single disposal

Applicable Not applicable

Other explanations:

Applicable Not applicable

5. Change of combination scope for other reasons

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

Applicable Not applicable

In April 2021, Guangzhou Development Zone Xingrui Equity Investment Fund Partnership (limited partnership), a shareholder of Shandong Hi Speed Changying Equity Investment Management Co., Ltd., quit and was controlled by the Company, included in the Company's scope of combination.

In February 2021, Shandong Hi-speed Industrial Development Co., Ltd, a subsidiary of the Company, was divided into Shandong Hi-speed Industrial Development Co., Ltd. and Shandong Hi-speed Renhe Property Development Co., Ltd. In December 2021, the Company used the equity of Renhe Property Company to contribute to Shandong Expressway Property Service Development Group Co., Ltd. After the equity transfer is completed, it will no longer be included in the scope of combination.

6. Others

Applicable Not applicable

IX. Equity in other subjects**1. Equities in subsidiaries****(1). Composition of enterprise groups**

√Applicable □Not applicable

Name of subsidiary	Main operating location	Registered place	Nature of business	Shareholding ratio (%)		Acquisition mode
				Direct	Indirect	
Shandong Hi-Speed Investment Development Co., Ltd.	Shandong Province	Shandong Province	Investment and development	100		Establishment by investment
Shandong Hi-speed Environmental Technology Co., Ltd.	Shandong Province	Shandong Province	Environmental protection industry		60.01	Establishment by investment
Shandong Hi-Speed Jidong Development Co., Ltd.	Shandong Province	Shandong Province	Investment and development		60	Establishment by investment
Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.	Guangdong	Guangdong	Investment platform		55	Establishment by investment
Yantai Hesheng Real Estate Development Co., Ltd.	Shandong Province	Shandong Province	Investment and development		100	1. Business combination not under common control
Shandong Hi-Speed Industrial Development Co., Ltd.	Shandong Province	Shandong Province	Property management	60		Establishment by investment
Shandong Lijin Huanghe Highway and Bridge Co., Ltd.	Shandong Province	Shandong Province	Highway management	65		Business combination under common control
Shandong Hi-Speed Henan Development Co., Ltd.	Henan Province	Henan Province	Investment and development	60		Establishment by investment
Shandong Hi-Speed Henan Xuyu Road Co., Ltd.	Henan Province	Henan Province	Highway management		60	Establishment by investment
Jiyuan City Jijin	Henan Province	Henan Province	Highway management		54	1. Business combination

Expressway Co., Ltd.						not under common control
Hunan Hengshao Expressway Co., Ltd.	Hunan Province	Hunan Province	Highway management	70		1. Business combination not under common control
Shandong Hi-Speed Hunan Development Co., Ltd.	Hunan Province	Hunan Province	Investment and development	100		Establishment by investment
Shandong Hi-Speed Qilu Construction Transport Administration Service Co., Ltd.	Shandong Province	Shandong Province	Agency service	100		Business combination under common control
Hubei Wujing Expressway Development Co., Ltd	Hubei Province	Hubei Province	Highway management	60		Business combination under common control
Jinan Changying Jincheng Equity Investment Partnership (limited partnership)	Shandong Province	Shandong Province	Equity investment	99.99	0.01	Establishment by investment
Jinan Changying Jinhai Investment Partnership (Limited Partnership)	Shandong Province	Shandong Province	Equity investment	100		Establishment by investment
Jinan Jinming Investment Partnership (Limited Partnership)	Shandong Province	Shandong Province	Equity investment		100	Establishment by investment
Shenzhen Lupeng Investment Partnership (Limited Partnership)	Guangdong	Guangdong	Investment business		100	Establishment by investment
Qingdao Changying Jinpeng Equity Investment Partnership (Limited	Shandong Province	Shandong Province	Investment business	30.06	69.93	Establishment by investment

Partnership)						
Jinan Changying Jinyun Equity Investment Partnership (Limited Partnership)	Shandong Province	Shandong Province	Investment business		100	Establishment by investment
Shandong Hi-Speed Sulianyun Technology Co., Ltd.	Shandong Province	Shandong Province	Investment business		100	Establishment by investment
Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	Shandong Province	Shandong Province	Investment business	80	5	Other causes
Luzhou Southeast Expressway Development Co., Ltd.	Sichuan Province	Sichuan Province	Highway management	80		1. Business combination not under common control
Shandong Hi-speed Rail Transit Group Co., Ltd.	Shandong Province	Shandong Province	It is forbidden to slide when transporting by railway.	51		Business combination under common control
Shandong Dalailong Railway Co., Ltd.	Shandong Province	Shandong Province	It is forbidden to slide when transporting by railway.		41.01	Business combination under common control
Shandong High Speed Railway Construction Equipment Co., Ltd. (Notes)	Shandong Province	Shandong Province	Railway building materials		17.85	Business combination under common control
Shandong Hi-Speed Industrial Development Co., Ltd.	Shandong Province	Shandong Province	Business transportation		35.7	Business combination under common control
Shandong Shouping Railway Co., Ltd.	Shandong Province	Shandong Province	It is forbidden to slide when transporting by railway.		30.48	Business combination under common control
Shandong Ruiyuan Logistics Co., Ltd.	Shandong Province	Shandong Province	Business transportation		33.15	Business combination under common control
Shandong Hi-Speed	Shandong Province	Shandong Province	Railway construction		22.31	Business combination

Transportation Equipment Co., Ltd.			materials			under common control
Shandong Ludao Construction Engineering Co., Ltd.	Shandong Province	Shandong Province	Construction service		51	1. Business combination not under common control
Qilu Expressway Co., Ltd.	Shandong Province	Shandong Province	Highway management	38.925		Business combination under common control
Shandong Shunguang Industrial Development Co., Ltd.	Shandong Province	Shandong Province	Advertising production and publishing		38.925	Business combination under common control
Qilu Expressway (Hong Kong) Co., Ltd.	Hong Kong	Hong Kong	Highway management		38.925	Business combination under common control
Shandong Gangtong Construction Co., Ltd.	Shandong Province	Shandong Province	Highway engineering construction		38.925	Business combination under common control
Shandong Kanglong Science and Technology Development Co., Ltd.	Shandong Province	Shandong Province	Sales of building materials		38.925	Business combination under common control
ECON Technology Co., Ltd	Shandong Province	Shandong Province	Environment technical service	51		1. Business combination not under common control
Yikang Environmental Engineering Co., Ltd.	Sichuan Province	Sichuan Province	Environment technical service		51	1. Business combination not under common control
Yantai Chunzhiyan Environmental Protection Technology Co., Ltd.	Shandong Province	Shandong Province	Environment technical service		35.7	1. Business combination not under common control
Beijing Yikang Runfeng Technology Co., Ltd.	Beijing	Beijing	Environment technical service		51	1. Business combination not under common control
Laizhou Lairun Holdings Co.,	Shandong Province	Shandong Province	Environment technical service		30.6	1. Business combination not under

Ltd.						common control
Laizhou Lairun Environmental Protection Co., Ltd.	Shandong Province	Shandong Province	Environment technical service		19.38	1. Business combination not under common control
Laizhou Lairun Sewage Treatment Co., Ltd.	Shandong Province	Shandong Province	Ecological protection and environmental governance		22.95	1. Business combination not under common control
Laizhou Binhai Sewage Treatment Co., Ltd.	Shandong Province	Shandong Province	Environment technical service		30.6	1. Business combination not under common control
Binzhou Yikang Zhongke Environmental Protection Technology Co., Ltd.	Shandong Province	Shandong Province	Environment technical service		51	1. Business combination not under common control
Binzhou Weiyijie Environmental Protection Technology Co., Ltd.	Shandong Province	Shandong Province	Environment technical service		35.7	1. Business combination not under common control
Binzhou Beihai Venous Industry Development Co., Ltd.	Shandong Province	Shandong Province	Environment technical service		24.99	1. Business combination not under common control
Shanghai Jiyi Environmental Technology Co., Ltd.	Shanghai	Shanghai	Environment technical service		51	1. Business combination not under common control
Donggang Kangrun Environmental Management Co., Ltd.	Liaoning Province	Liaoning Province	Environment technical service		50.7	1. Business combination not under common control
Rushan Yike Water Environment Treatment Co., Ltd.	Shandong Province	Shandong Province	Environment technical service		44.37	1. Business combination not under common control
Subei Mongolian Autonomous County Kangrun	Gansu Province	Gansu Province	Environment technical service		39.78	1. Business combination not under common control

Water Service Co., Ltd.						
Dayi Kangrun Water Service Co., Ltd.	Sichuan Province	Sichuan Province	Environment technical service		51	1. Business combination not under common control
Weifang Sihai Kangrun Investment and Operation Co., Ltd.	Shandong Province	Shandong Province	Environment technical service		27.96	1. Business combination not under common control
Suining Pengxi Kangrun Environmental Management Co., Ltd.	Sichuan Province	Sichuan Province	Environment technical service		40.75	1. Business combination not under common control
Kangrunhong Environmental Protection Technology (Yantai) Co., Ltd.	Shandong Province	Shandong Province	Ecological protection and environmental governance		51	1. Business combination not under common control
Yinan Kangrun Water Service Co., Ltd.	Anhui Province	Anhui Province	Ecological protection and environmental governance		40.55	1. Business combination not under common control
Lushan Kangrun Environmental Management Co., Ltd.	Henan Province	Henan Province	Ecological protection and environmental governance		45.44	1. Business combination not under common control
Wuhan Runyuan Wastewater Treatment Co., Ltd.	Hubei Province	Hubei Province	Ecological protection and environmental governance		35.7	1. Business combination not under common control
Tongchuan Kangrun Environmental Management Co., Ltd.	Shaanxi Province	Shaanxi Province	Ecological protection and environmental governance		45.39	1. Business combination not under common control
Tingyuan Waters Technologies (Shanghai) Co., Ltd.	Shanghai City	Shanghai City	Research and test development		51	1. Business combination not under common control
Xi'an Gaoling District Kangrun Environmental Protection Engineering	Shaanxi Province	Shaanxi Province	Ecological protection and environmental governance		48.45	1. Business combination not under common control

Co., Ltd.						
Xixian New District Kangrun Xijian Water Environment Construction Co., Ltd.	Shaanxi Province	Shaanxi Province	Public facilities management		26.01	1. Business combination not under common control
Ankang Kangrun Xinheng Water Environment Co., Ltd.	Shaanxi Province	Shaanxi Province	Ecological protection and environmental governance		26.01	1. Business combination not under common control
Gaoping Kangrun Environmental Protection and Water Services Co., Ltd.	Shanxi Province	Shanxi Province	Ecological protection and environmental governance		48.45	1. Business combination not under common control
Changning Kangrun Water Service Co., Ltd.	Hunan Province	Hunan Province	Production and supply of water		45.89	1. Business combination not under common control
Yangcheng County Kangrun Anjian Water Service Co., Ltd.	Anhui Province	Anhui Province	Water management		43.35	1. Business combination not under common control
Chongzhou Kangrun Environment Co., Ltd.	Sichuan Province	Sichuan Province	Ecological protection and environmental governance		42.67	1. Business combination not under common control
Bokang Renewable Resources (Yantai) Co., Ltd.	Shandong Province	Shandong Province	Internet and related services		26.01	1. Business combination not under common control
Linfen Kangrun Jinze Water Supply Co., Ltd.	Shanxi Province	Shanxi Province	Production and supply of water		39.24	1. Business combination not under common control
Shandong Huitai Renewable Resources Co., Ltd.	Shandong Province	Shandong Province	Manufacturing of chemical raw materials and products		40.8	1. Business combination not under common control
Lanrun Environmental Protection Technology	Shandong Province	Shandong Province	Environmental consulting		51	1. Business combination not under common

(Yantai) Co., Ltd.						control
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Statement that the shareholding ratio in the subsidiary is different from the voting right ratio:

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:

Shandong Hi-speed Rail Transportation Group Co., Ltd., a subsidiary of the Company, holds 35% equity of Shandong Hi-Speed Railway Construction Equipment Co., Ltd., and other minority shareholders hold 65% equity in total. 6 of the 8 senior executives of Shandong Hi-Speed Railway Construction Equipment Co., Ltd. are appointed by Shandong Hi-speed Rail Transit Group Co., Ltd. Meanwhile, the minority shareholders do not participate in the daily operation and the Shandong Hi-speed Rail Transit Group Co., Ltd. can decide the operating policy of Shandong Hi-Speed Railway Construction Equipment Co., Ltd. Therefore, the Company can actually control Shandong High Speed Railway Construction Equipment Co., Ltd. and bring it into the scope of combination.

Basis for controlling important structured entities included in the scope of combination:

The Company and Agricultural Bank of China Co., Ltd., as the principals, set up "Bohai Trust · 2021 Jinsui B Expressway Share Collective Fund Trust Plan" and the trustee is Bohai International Trust Co., Ltd. In accordance with the trust contract, the Trust Plan does not set a fixed duration, and the expected duration shall not be less than one year, and be subject to the resolution of the investment committee. For the investment decision-making committee, the Company delegated three members and Agricultural Bank of China delegated one member, and the investment decision-making committee has one director who will be appointed by the Company. An investment decision-making committee meeting shall be held with the more than half of attendees, and a resolution shall be approved only if more than half the attendees approve it. As it has the vast majority of members in the investment committee, the Company owns the right to control the Trust Plan.

Basis for determining whether a company is agent or principal:

None

Other explanations:

None

(2). Important non-wholly-owned subsidiaries

Applicable Not applicable

Unit: Yuan Currency: CNY

Name of subsidiary	Shareholding ratio of minority interests (%)	Profit and loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Balance of minority shareholders' equity at the end of the period
Shandong Hi-Speed Henan Development Co., Ltd.	40.00%	46,108,569.10	51,900,000.00	433,658,798.80
Hunan Hengshao Expressway Co., Ltd.	30.00%	-40,295,504.89		-304,411,304.40
Hubei Wujing Expressway Development	40.00%	133,749,867.14		1,260,374,919.98

Co., Ltd				
Luzhou Southeast Expressway Development Co., Ltd.	20.00%	11,177,956.18		373,387,818.17
Shandong Hi-speed Rail Transit Group Co., Ltd.	49.00%	177,718,584.72		2,577,432,988.88
ECON Technology Co., Ltd	49.00%	116,305,903.08		2,120,179,468.83

Description for the difference between the shareholding ratio of minority shareholders of subsidiaries and the voting right ratio:

Applicable Not applicable

Other explanations:

Applicable Not applicable

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

√Applicable □Not applicable

Unit: Yuan Currency: CNY

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.	281,564,544.63	2,404,565,557.96	2,686,130,102.59	339,169,455.63	1,245,614,027.16	1,584,783,482.79	245,107,807.99	2,481,509,954.21	2,726,617,762.20	362,394,469.17	1,317,933,320.63	1,680,327,789.80
Hunan Hengshao Expressway Co., Ltd.	44,492,068.26	4,044,666,598.54	4,089,158,666.80	2,337,307,729.52	2,766,555,285.26	5,103,863,014.78	101,149,803.21	4,154,981,984.80	4,256,131,788.01	2,288,507,062.60	2,848,010,723.76	5,136,517,786.36
Hubei Wujing Expressway Development Co., Ltd.	153,625,087.33	8,092,212,165.02	8,245,837,252.35	457,118,832.71	4,637,781,119.70	5,094,899,952.41	117,198,138.54	8,350,322,664.96	8,467,520,803.50	844,155,024.45	4,806,803,146.96	5,650,958,171.41
Luzhou Southeast Expressway Development Co., Ltd.	444,570,952.30	5,613,377,721.84	6,057,948,674.14	128,314,616.36	4,062,694,966.95	4,191,009,583.31						
Shandong Hi-speed Rail	3,115,706,314.94	8,278,421,684.14	11,394,127,999.08	3,962,668,186.14	2,873,829,239.51	6,836,497,425.65	2,512,483,290.56	7,561,551,912.36	10,074,035,202.92	3,778,159,642.41	2,124,092,738.17	5,902,252,380.58

Transit Group Co., Ltd.												
ECON Technology Co., Ltd	2,741,092,560.76	11,772,037,617.36	14,513,130,178.12	6,398,575,658.82	4,756,543,346.12	11,155,119,004.94						

Name of subsidiary	Amount incurred in the current period				Amount incurred in the previous period			
	Operating revenue	Net profits	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profits	Total comprehensive income	Cash flow from operating activities
Shandong Hi-Speed Henan Development Co., Ltd.	386,254,682.56	106,956,647.40	106,956,647.40	239,636,643.42	264,515,118.35	25,054,382.97	25,054,382.97	128,921,590.99
* Hunan Hengshao Expressway Co., Ltd.	243,678,577.15	-134,318,349.63	-134,318,349.63	162,724,563.10	175,878,961.46	-184,361,569.99	-184,361,569.99	158,509,407.08
Hubei Wujing Expressway Development Co., Ltd	1,007,294,099.79	334,374,667.85	334,374,667.85	802,867,449.83	712,055,229.68	38,230,188.42	38,230,188.42	483,269,403.28
Luzhou Southeast Expressway Development Co., Ltd.	350,076,222.48	55,889,780.88	55,889,780.88	277,595,066.36				
Shandong Hi-speed Rail Transit	4,337,955,797.92	346,996,635.73	370,233,486.67	223,507,687.03	4,344,913,670.72	317,061,532.24	317,061,532.24	68,974,494.22

Group Co., Ltd.								
ECON Technology Co., Ltd	921,874,983.93	233,221,198.66	233,221,198.66	2,330,490,714.87				

Other explanations:

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 explanations:

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). Description of changes in shares of owners' equity in the subsidiary companies

Applicable Not applicable

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

Applicable Not applicable

3. Equity in joint ventures or associates

Applicable Not applicable

(1). Important joint ventures or associated enterprises

Applicable Not applicable

Unit: Yuan Currency: CNY

Name of joint ventures or associated enterprises	Main operating location	Registered place	Nature of business	Shareholding ratio (%)		Accounting disposal method for investment in joint ventures or associated enterprises
				Direct	Indirect	
Weihai City Commercial Bank Co., Ltd.	Shandong Province	Shandong Province	Commercial bank	11.60%		Equity method
Shandong Hi-speed Logistics Group Co., Ltd. (hereinafter referred to as "Logistics Group")	Shandong Province	Shandong Province	Logistics management	25.00		Equity method
Dongxing	Beijing	Beijing	Securities	2.71		Equity method

Securities Company, Ltd.			company			
FULONGMA Group Co., Ltd.	Fujian Province	Fujian Province	Environmental sanitation equipment	4.97		Equity method
Guangdong Provincial Expressway Development Co., Ltd.	Guangdong	Guangdong	Highway operation		9.68	Equity method

Description for the difference between the shareholding ratio and the voting right ratio in the joint venture or associated enterprise:

None

The 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:

Note 1: 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 Although the Company's shareholding in Fujian Longma Sanitation Equipment Co., Ltd. (hereinafter referred to as "Fulongma") is less than 20%, the Company has the right to appoint one director in the board of directors of Fulongma and is the third largest shareholder of Longma Environmental Sanitation so that the Company can exert significant influence on Fulongma, so it is accounted as the associated enterprise.

④ Although the Company's shareholding in Guangdong Provincial Expressway Development Co., Ltd. (hereinafter referred to as "Guangdong Expressway") is less than 20%, the Company has the right to appoint one director to the Board of Directors of Guangdong Expressway and is the third largest shareholder of Guangdong Expressway, so that the Company can exercise significant influence over the Guangdong Expressway, so it is accounted as the associated enterprise.

Note 2: As of December 31, 2021, the Company has lent a total of 32,320,000 shares of Dongxing Securities through refinancing business, accounting for 1.00% of the total share capital of Dongxing Securities.

(2). Major financial information of important joint ventures.

Applicable Not applicable

(3). Main financial information of major associates of important associates

Applicable Not applicable

Unit: Yuan Currency: CNY

	Ending balance/Amount incurred in current period	Beginning balance/Amount incurred in the previous period
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	Logistics Group	Logistics Group
Current assets	2,586,433,366.96	2,930,928,006.85
Non-current assets	3,147,697,756.62	2,941,790,879.26
Total assets	5,734,131,123.58	5,872,718,886.11
Current liabilities	1,569,209,201.29	2,162,194,643.83
Non-current liabilities	899,360,769.65	511,138,497.11
Total liabilities	2,468,569,970.94	2,673,333,140.94
Minority equity	290,252,750.93	340,634,778.89
Equity attributable to shareholders of parent company	2,975,308,401.71	2,858,750,966.28
Net assets shares counted based on shareholding ratio	743,827,100.43	714,687,741.57
Adjustment items		
-- Goodwill		
-- Unrealized profits from internal transactions		
- Others		
The book value of equity investment in associated enterprises is the fair value of equity investment in associated enterprises with public quotation.	743,827,100.43	714,687,741.57
Operating revenue	3,649,067,317.65	4,798,730,645.97
Financial expenses	6,109,386.09	34,000,820.75
Income tax expenses	33,583,583.22	46,831,460.23
Net profits	90,980,026.23	71,822,621.05
Discontinued operating net profit		
Other comprehensive income		
Total comprehensive income	90,980,026.23	71,822,621.05
Dividends received from the associated enterprise during the current year		

Other explanations

None

(4). Information

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

√Applicable □Not applicable

Unit: Yuan Currency: CNY

	Ending balance/Amount incurred in current period	Beginning balance/Amount incurred in the previous period

Joint ventures:		
Total book value of investments	51,000,000.00	109,487,773.41
Total amount of the following items calculated according to shareholding ratio		
-- Net profit		1,965,037.74
-- Other comprehensive income		
-- Total comprehensive income		1,965,037.74
Associated enterprises:		
Total book value of investments	5,590,236,125.85	5,365,312,988.47
Total amount of the following items calculated according to shareholding ratio		
-- Net profit	67,329,583.27	187,985,695.38
-- Other comprehensive income		
-- Total comprehensive income	67,329,583.27	187,985,695.38

Other explanations

None

(6). Description of significant restrictions on the ability of joint ventures or associated enterprises to transfer funds to the Company.

Applicable Not applicable

(7). Excess loss of joint venture or associated enterprise.

Applicable Not applicable

(8). Unconfirmed commitments related to joint venture investment.

Applicable Not applicable

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

Applicable Not applicable

(10). Main financial information of major associated enterprises

4. Important joint operation

Applicable Not applicable

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

Relevant explanation on structured entities not included in the scope of consolidated financial statements:

Applicable Not applicable

6. Others

Applicable Not applicable

X. Risks related to financial instruments

√ Applicable □ Not applicable

The Group's main financial instruments include borrowings, receivables, accounts payable, tradable financial assets, and tradable financial liabilities, etc. For a detailed description of each financial instrument, see Note VI. The risks related to these financial instruments and the risk management policies adopted by the group to reduce these risks are as follows. The management level of the Group manages and monitors these exposures to ensure that the above risks are within specified limits.

1. Various risk management objectives and policies

The objective of the Group in risk management is to achieve an appropriate balance between risks and returns, reduce the negative impact of risk on the group's business performance to the lowest level, and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the group's risk management is to determine and analyze all kinds of risks faced by the Group, establish appropriate risk tolerance bottom line and carry out risk management, and supervise all kinds of risks in a timely and reliable manner to control the risks within the limits.

(1) Market risks

1) Exchange rate risks

The Group's exposure to exchange rate risk is mainly related to the Hong Kong dollar. Except for the Group's companies established in the Hong Kong Special Administrative Region, which purchase and sell in Hong Kong dollars, other major business activities of the Group are denominated and settled in CNY. As at 31 December 2021, the Group's assets and liabilities are all in CNY, except for the balance in Hong Kong dollars of the assets described in the table below. The exchange rate risk arising from these Hong Kong dollar balance assets will not have an impact on the Group's results of operations.

Item	December 31, 2021	December 31, 2020
Monetary Funds - Hong Kong Dollars	1,546,915.87	1,966,208.79

2) Interest rate risks

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 determines the relative proportion between fixed interest rate and floating interest rate contracts according to the prevailing market environment. As at December 31, 2021, the Group's interest-bearing debts were mainly CNY-denominated floating-rate loan contracts with a total amount of CNY 48,930,722,284.30 (December 31, 2020: 39,025,297,573.22), and CNY-denominated fixed-rate contracts with an amount of CNY 48,930,722,284.30 It is 8,667,303,854.30 yuan (December 31, 2020: 13,554,670,000.00 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 risks

On December 31, 2021, 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 regularly monitors the credit records of customers. For customers with poor credit records, the Group may make written payment calls, shorten the credit period or cancel the credit period, etc., so as to ensure that the overall credit risk of the Group is under control.

(3) Liquidity risks

Liquidity risks refer to the risk of financial obligation that cannot be fulfilled by the Group on due 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 terms to ensure sufficient funds. The management level of the Group monitors the use of bank borrowings and ensures compliance with the loan agreement. At the same time, the Group will negotiate with financial institution to maintain a certain credit line and reduce liquidity risk.

The financial assets and financial liabilities held by the Group are analyzed according to the maturity of undiscounted remaining contractual obligations as follows:

December 31, 2021

Item	Within one year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial assets:					
Monetary funds	4,733,510,418.21				4,733,510,418.21
Notes receivable	313,295,763.10				313,295,763.10
Receivable financing	123,809,683.09				123,809,683.09
Accounts receivable	1,494,867,863.73				1,494,867,863.73
Other receivables	4,204,573,582.86				4,204,573,582.86
Non-current assets due within one year	40,104,821.79				40,104,821.79
Other current assets	3,025,145,847.83				3,025,145,847.83
Creditors' investments		450,030,000.00	2,382,036,696.53		2,832,066,696.53
Long-term receivables	2,416,200.00	2,438,700.00	7,453,100.00	49,265,400.00	61,573,400.00
Other equity instruments investments				421,639,839.34	421,639,839.34
Other non-current financial assets		563,893,198.11	237,090,000.00		800,983,198.11
Financial liabilities					

Short-term borrowings	3,448,595,311.59				3,448,595,311.59
Accounts Payable	9,997,523,588.75				9,997,523,588.75
Other payables	4,209,678,090.96				4,209,678,090.96
Non-current liabilities due within one year	2567195056.06				2567195056.06
Other current liabilities	2,030,003,926.02				2,030,003,926.02
Long-term loans		3,403,289,259.40	12,802,255,164.65	33,805,449,952.75	50,010,994,376.80
Long-term payables		48,631,216.02	48,982,043.48	50,442,864.88	148,056,124.38
Lease liabilities		8,858,110.84	22,553,078.73	51,573,969.48	82,985,159.05

1. Sensitivity analysis

The Group adopts sensitivity analysis technology to analyze the possible impact of reasonable and possible changes of risk variables on the current profit and loss or shareholders' equity. Since any risk variable rarely changes in isolation, and the correlation between variables will have a significant effect on the final impacted amount of the risk variable change, the following is carried out under the assumption that the change of each variable is independent.

(1) Sensitivity analysis of foreign exchange risks

The operating income and capital expenditure of the Group are mainly settled in CNY, and the fluctuation of exchange rate has no significant impact on the group's performance. Under the condition that other variables remain unchanged, the after-tax impact of possible reasonable changes in the exchange rate of Hong Kong dollar on the current profit and loss and equity is as follows:

Item	Change of interest rate	2021		2020	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
All foreign currencies	appreciate 5% against CNY	-71,500.00	-71,500.00	-62,000.00	-62,000.00
All foreign currencies	depreciate 5% against CNY	71,500.00	71,500.00	62,000.00	62,000.00

(2) Sensitivity analysis of interest risks

The sensitivity analysis of interest rate risk is based on the following assumptions:

The change of interest rate on market affects the interest income or expense of variable interest rate financial instruments;

For the fixed interest rate financial instrument measured at fair value, the change of market interest rate only affects its interest income or expense;

The fair value changes of derivative financial instruments and other financial assets and liabilities are calculated by the discounted cash flow method at the market interest rate on the balance sheet date.

Based on the above assumption and with other variables remain unchanged, the after-tax impact of potentially reasonable changes in interest rate on current profits and losses and equities are as follows:

Item	Change of interest rate	2021		2020	
		Impact on net profit	Impact on shareholders' equity	Impact on net profit	Impact on shareholders' equity
Borrowing with floating rate	Increase by 1%	-255,794,578.90	-255,794,578.90	-248,486,725.52	-248,486,725.52
Borrowing with floating rate	Decrease by 1%	255,794,578.90	255,794,578.90	248,486,725.52	248,486,725.52

XI. Disclosure of fair value

1. Ending fair value of assets and liabilities measured at fair value

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item	Ending fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement				
(I) Transactional financial assets			800,983,198.11	800,983,198.11
1. Financial assets measured at fair value and whose changes are included in the current profit or loss			800,983,198.11	800,983,198.11
(1) Debt instrument investments			703,893,198.11	703,893,198.11
(2) Equity instrument investment			97,090,000.00	97,090,000.00
(3) Derivative financial assets				
2. Financial assets that are designated to be measured at fair value and whose changes are included into the profits and losses of current period				
(1) Debt instrument investments				
(2) Equity instrument investment				
(II) Other debt investments				
(III) Other equity instrument investments			421,639,839.34	421,639,839.34
(IV) Investment real estate				
1. Land use right for rent				
2. Buildings for rent				
3. Land use rights that				

are held and prepared to be transferred upon appreciation				
(V) Biological assets				
1. Expendable biological assets				
2. Productive biological assets				
(VI) Receivables financing			123,809,683.09	123,809,683.09
Total assets continuously measured at fair value			1,346,432,720.54	1,346,432,720.54
(VII) Transactional financial liabilities				
1. Financial liabilities measured at fair value and whose changes are included in current profits and losses				
Including: issued trading bonds				
Derivative financial liabilities				
Others				
2. Financial liabilities designated to be measured at fair value and whose changes are included into the current profits and losses				
Total liabilities continuously measured at fair value				
II. Non-recurring fair value measurement				
(I) Assets held for sale				
Total assets not continuously measured at fair value				
Total liabilities not continuously measured at fair value				

2. The basis for recognizing market price of the continuous and non-continuous first-level items measured at fair value

Applicable Not applicable

3. Continuous and non-continuous second-level items measured at fair value, the valuation techniques

adopted and the qualitative and quantitative information of important parameters

Applicable Not applicable

4. Continuous and non-continuous third-level items measured at fair value, the valuation techniques adopted and the qualitative and quantitative information of important parameters

Applicable Not applicable

The receivable financing is a bank acceptance bill with a short maturity date. The difference between the fair value and the book value is extremely small, so the fair value is estimated as the book value;

For the debt investment, the discount model of cash flow is used for valuation, and the unobservable input value is the discount rate;

Due to the lack of recent information on equity instrument investment and other equity instrument investment used to determine the fair value, and there is no significant change in the operation of the invested company, the company estimates its fair value based on its share of the investee's net assets.

5. For continuous level 3 fair value measurement items, adjustment information between beginning and ending book value and sensitivity analysis on unobservable parameters

Applicable Not applicable

6. For continuous fair value measurement items, in case of conversion among different levels during the current period, the reasons for conversion and the policy for determining the timing for conversion

Applicable Not applicable

7. Technical changes in valuation during the current period and the reasons for such changes

Applicable Not applicable

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

Applicable Not applicable

The financial assets and liabilities of the Group measured at amortized cost mainly include: receivables, long-term receivables, short-term loans, payables, non current liabilities due within one year, long-term loans, bonds payables and long-term payables.

There is no significant difference between the book value and fair value of financial assets and liabilities not measured at fair value.

The fair value of the bonds payable from holding to maturity investment with active market shall be determined by the quoted price in the active market. It shall belong to the first level. For long-term loans, long-term payables and bonds payable without active market, the fair value of the future cash flow specified in the contract shall be determined by the present value of the discounted interest rate with comparable credit rating in the market and providing almost the same cash flow under the same conditions. It belongs to the third level.

9. Others

Applicable Non-applicable

XII. Affiliates and affiliate transaction**1. Parent company of the enterprise**

Applicable Not applicable

Unit: yuan Currency: CNY

Name of the parent company	Registered place	Nature of business	Registered capital	Shareholding ratio of parent company in the Company (%)	Voting ratio of parent company to the Company (%)
Shandong Hi-Speed Group Co., Ltd.	Ji'nan	Expressway construction and management	4,590,000	70.91	70.91

Information about parent company of the enterprise

None

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

Other explanations:

None

2. Subsidiaries of the Company

For details of subsidiary companies of the enterprise, please refer to the notes

Applicable Not applicable

The information about subsidiaries sees "note IX. 1. (1) Composition of enterprises and companies"

3. Joint ventures and associated enterprises of the Company

For details of important joint ventures or associated enterprises of the enterprise, please refer to the notes

Applicable Not applicable

Important joint ventures and associated enterprises of the Company see "note IX. 3. (1) Important joint ventures or associated enterprises."

The conditions of other joint ventures or associated enterprises that have related party transactions with the Company in the current period or have balance due to related party transactions with the Company in the previous period are described as follows

Applicable Not applicable

Name of joint ventures and associated enterprises	Relations with the Company
Shandong Zhonglan Railway Operation Co., Ltd.	Joint ventures
Jinan Puyuan Real Estate Co., Ltd.	Associated enterprises
Shandong Lingang Shugang Rail Transit Co., Ltd.	Associated enterprises
Shandong Hi-Speed New Material Technology Co., Ltd.	Associated enterprises
Shandong Hi-Speed Jinan Investment and Engineering Co., Ltd.	Associated enterprises
Shandong Hi-Speed Xicheng Property Co., Ltd.	Subsidiary of associated enterprises
Jinan Changying Transportation Infrastructure Investment Fund Partnership (Limited Partnership)	Associated enterprises
Shandong CSIC Chinatong New Old Energy Conversion Industry Investment Fund Partnership (Limited Partnership)	Associated enterprises

CSIC EIT (Shandong) City Operation Service Co., Ltd	Associated enterprises
Shandong General Aviation Service Co., Ltd	Associated enterprises
Ji'nan Xinyue New Road Material Research and Development Co., Ltd.	Associated enterprises
Huoqiu Kangrun Kaitian Water Affairs Environmental Protection Co., Ltd.	Associated enterprises
Yibin Kangrun Environmental Technology Co., Ltd.	Associated enterprises
Yibin Kangrun Environmental Protection Power Generation Co., Ltd.	Associated enterprises
Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.	Associated enterprises
Binzhou Beihai Weiqiao Waste disposal Co., Ltd.	Associated enterprises

Other explanations

Applicable Non-applicable

4. Other related parties

Applicable Not applicable

Name of other affiliates	Relations of other affiliates with the enterprise
High-Speed Network (Shandong) Logistics Technology Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Changtong Road and Bridge Engineering Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Service Area Management Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed New Material Technology Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Road Development Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Heze Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-speed Hubei Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Construction Materials Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-speed Architectural Design Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Road & Bridge Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Petrochemical Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Logistics Supply Chain Co., Ltd.	Controlling subsidiary of the parent company
Shandong High-speed Logistics Group Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Property Management 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 Xinlian Payment 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 Information Engineering Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-speed Zhanlin Expressway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Maintenance Group Co.,	Controlling subsidiary of the parent company

Ltd.	
Shandong High-Speed Bridge Construction Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Luqiao Group Co., Ltd.	Wholly owned subsidiary of the parent company
Weihai City Commercial Bank Co., Ltd.	Controlling subsidiary of the parent company
Yunnan Suomeng Expressway Co., Ltd.	Controlling subsidiary of the parent company
Guangdong Jiayi Engineering Co., Ltd.	Controlling subsidiary of the parent company
Hubei Fanwei Expressway Development Co., Ltd.	Controlling subsidiary of the parent company
Hubei Wuma Expressway Development Co., Ltd.	Controlling subsidiary of the parent company
Jining Hongxiang Highway Survey and Design Institute Co., Ltd.	Controlling subsidiary of the parent company
Laizhou City Beilai Highway Investment Co., Ltd.	Controlling subsidiary of the parent company
East Highway and Bridge Construction Corporation of Shandong	Controlling subsidiary of the parent company
Shandong High-Speed Aowei Junshan Automobile Supply Chain Management Co., Ltd.	Controlling subsidiary of the parent company
Shandong Expressway Service Area Promotion Construction Engineering Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Gaoguang Highway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Engineering Detection Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong High-Speed Engineering Project Management Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed International Tourism Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong High-Speed Hubei Maintenance Technology Co., Ltd.	Controlling subsidiary of the parent company
Electronic charge center of Shandong Hi-Speed Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Construction Management Group Co., Ltd	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Jiaoan Science and Technology Development Co., Ltd	Controlling subsidiary of the parent company
Shandong Hi-Speed Engineering Consulting Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-speed Linzao-Zaomu Road Co., Ltd	Controlling subsidiary of the parent company
Shandong Hi-Speed Longqing Expressway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Niluo Investment Development 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 Bioengineering Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Taidong Highway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Weiri Highway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Culture Media Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-speed Xinbo Information Co., Ltd.	Controlling subsidiary of the parent company

Shandong Hi-Speed Xinlian Technology Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Resource Development Management Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Honglin Engineering Technology Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Juanhe Expressway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Luqiao Building Materials Co., Ltd.	Controlling subsidiary of the parent company
Shandong Luqiao Construction Co., Ltd.	Controlling subsidiary of the parent company
Shandong Provincial Traffic Engineering Supervision Consulting Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Luqiao Engineering Design Consulting Co., Ltd.	Controlling subsidiary of the parent company
Shandong Sanyi Engineering Construction Supervision Co., Ltd.	Controlling subsidiary of the parent company
Shandong Zhengchen Technology Co., Ltd.	Controlling subsidiary of the parent company
Wuhan Jincheng Xingfa Real Estate Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Green Technology Development Co., Ltd.	Controlling subsidiary of the parent company
China Railway High Speed Logistics (Shandong) Co., Ltd.	Controlling subsidiary of the parent company
China Shandong International Economic & Technical Cooperation Group Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Service Development Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong High-Speed Engineering Construction Group Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Transportation Construction Investment Co., Ltd.	Controlling subsidiary of the parent company
Shandong High-Speed Manyi Logistics Technology Co., Ltd.	Controlling subsidiary of the parent company
Shandong Qilu Electronic Tendering and Procurement Service Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Shundu Road & Bridge Engineering Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Information Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Information Engineering Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Honglin Engineering Technology Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Weihai Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed (Weihai) International Trade Co., Ltd.	Controlling subsidiary of the parent company
Shandong Highway Bridge Construction Co., Ltd.	Controlling subsidiary of the parent company
Shandong Qizhi Information Co., Ltd.	Controlling subsidiary of the parent company
Shandong Aobang Transportation Facilities Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Green Ecology Development Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	Controlling subsidiary of the parent company
Shandong Shuangli Electronic Engineering Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-speed Jiwei Highway (Jining) Co., Ltd.	Controlling subsidiary of the parent company

Shandong High-speed Basketball Club Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed New Material Technology Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Qingdao Property Management Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Traffic Logistics Investment Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed New Industrial Development Group Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Shuntong Road & Bridge Maintenance Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Weifang Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Luqiao Municipal Engineering Co., Ltd.	Controlling subsidiary of the parent company
Ranken Railway Construction Group Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Communication Technology Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed High-tech Investment Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-speed City Investment Ring Expressway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-speed Juancheng-Heze Road Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Binzhou Property Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong High-Speed Qingdao Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Rizhao Development Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-speed Jinan Expressway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Jinan-Taian Eastern Line Highway Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Material Storage & Transportation Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Building Materials Group Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-speed Smart City Service Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Information Engineering Co., Ltd.	Wholly owned subsidiary of the parent company
Shandong Hi-Speed Changhe Development Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-speed Environmental Technology Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-speed Green Ecology Development Co., Ltd.	Controlling subsidiary of the parent company
Shandong Hi-Speed Mining Co., Ltd.	Controlling subsidiary of the parent company
Shandong Binzhou Traffic Engineering Supervision Consulting Co., Ltd.	Controlling subsidiary of the parent company
Taishan Property & Casualty Insurance Co., Ltd.	Controlling subsidiary of the parent company
Longkou Port Group Co., Ltd.	Minority shareholders of the subsidiary company
Qingdao Pingdu Construction Investment Company	Minority shareholders of the subsidiary company
Rizhao Ganghui Logistics Co., Ltd.	Minority shareholders of the subsidiary company

Zouping Communication Infrastructure Construction Investment Co., Ltd.	Minority shareholders of the subsidiary company
Huantai County Xinghuan Railway Investment Co. Ltd.	Minority shareholders of the subsidiary company
Weifang Bincheng Investment Development Co., Ltd.	Minority shareholders of the subsidiary company
China Overseas Development (Shandong) Co., Ltd.	Minority shareholders of the subsidiary company
Shanghai Zenitek Technology (Group) Co., Ltd.	Parent companies of minority shareholders of the subsidiary
Shaanxi Shangao Yuhetian Construction Engineering Co., Ltd.	Minority shareholders of the subsidiary company
Yinfeng Smart Property Service Group Co., Ltd.	Minority shareholders of the subsidiary company
Konka Group Co., Ltd.	Minority shareholders of the subsidiary company
Yantai Baijiangyuan Enterprise Management Center (Limited Partnership)	Minority shareholders of the subsidiary company
Yantai Fengqingtai Investment Center (Limited Partnership)	Minority shareholders of the subsidiary company
Yantai Qingrunyuan Enterprise Management Center (Limited Partnership)	Minority shareholders of the subsidiary company
Yantai Qingjiangchuan Enterprise Management Center (Limited Partnership)	Minority shareholders of the subsidiary company
Longkou Port Group Railway Co., Ltd.	Minority shareholders of the subsidiary company
Weifang Shangao New and Old Energy Conversion Investment Partnership (Limited Partnership)	Partners managed by the subsidiary as the fund manager

Other explanations

None

5. Related transactions

(1). Related Transactions for goods purchase and sales, provision and acceptance of labor service

List of goods purchased/labor services received

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Related party	Content of related transactions	Amount incurred in the current period	Amount incurred in the previous period
Shandong Hi-Speed Qingdao West Coast Port Co., Ltd.	Purchase of vehicles		10,462,696.08
China Shandong International Economic & Technical Cooperation Group Ltd.	Purchase of vehicles	3,076,467.64	
Shandong Hi-Speed Engineering Detection Co., Ltd.	Purchase of goods		309,608.49
Shandong Hi-Speed International Tourism Co., Ltd.	Purchase of goods		
Shandong Hi-Speed New Material Technology Co., Ltd.	Purchase of goods		23,657,719.47
Shandong Hi-speed Information Engineering	Purchase of goods		4,873,166.00

Co., Ltd.			
Shandong High-Speed Manyi Logistics Technology Co., Ltd.	Purchase of goods	1,048,991.73	
Shandong Hi-Speed Petrochemical Co., Ltd.	Purchase of goods	1,416.00	
Shandong Hi-Speed Xinlian Technology Co., Ltd.	Purchase of goods	3,854.40	
Shandong Qilu Electronic Tendering and Procurement Service Co., Ltd.	Purchase of goods	1,800.00	
Shandong Luqiao Group Co., Ltd.	Purchase of goods	5,355,180.42	
Ji'nan Xinyue New Road Material Research and Development Co., Ltd.	Purchase of goods	13,360,043.62	9,467,116.53
Shandong Hi-Speed Information Group Co., Ltd.	Purchase of goods		19,193,159.00
Shandong Hi-Speed Information Engineering Co., Ltd.	Purchase of goods	1,519,300.00	490,141.00
Shandong Hi-speed Information Engineering Co., Ltd.	Purchase of goods	33,600.00	
Shandong Hi-Speed Engineering Detection Co., Ltd.	Project funds	11,664,290.00	17,969,919.06
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	Project funds	27,980,630.29	54,664,439.50
Shandong Hi-Speed New Material Technology Co., Ltd.	Project funds		3,702,901.39
Shandong Hi-Speed Maintenance Group Co., Ltd.	Project funds	93,697,818.86	44,677,394.11
Shandong High-Speed Bridge Construction Group Co., Ltd.	Project funds	932,913,782.22	730,688,588.53
Shandong Provincial Traffic Engineering Supervision Consulting Co., Ltd.	Project funds	3,310,000.00	4,171,702.13
Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	Project funds	5,786,332.00	28,347,565.00
Shandong Luqiao Group Co., Ltd.	Project funds	2,491,655,779.87	1,191,699,478.20
Shandong Sanyi Engineering Construction Supervision Co., Ltd.	Project funds	750,548.40	2,965,107.36
China Overseas Development (Shandong) Co., Ltd.	Project funds	3,389,827.84	7,889,908.26
Shandong Hi-speed Information Engineering Co., Ltd.	Project funds	171,964,058.19	
Guangdong Jiayi	Project funds	46,490,917.14	

Engineering Co., Ltd.			
Shandong Aobang Transportation Facilities Co., Ltd.	Project funds	6,794,643.07	
Shandong Expressway Service Area Promotion Construction Engineering Co., Ltd.	Project funds	185,879,828.82	
Shandong High-Speed Engineering Project Management Co., Ltd.	Project funds	41,316,782.18	
Shandong Hi-Speed Honglin Engineering Technology Co., Ltd	Project funds	16,325,374.00	
Shandong Hi-speed Architectural Design Co., Ltd.	Project funds	136,800.00	
Shandong Hi-Speed Green Ecology Development Co., Ltd.	Project funds	614,032.40	
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	Project funds	963,000.00	
Shandong Hi-Speed Information Group Co., Ltd.	Project funds	57,067,288.65	
Shandong Shuangli Electronic Engineering Co., Ltd.	Project funds	579,697.50	
Shandong High-Speed Engineering Project Management Co., Ltd.	Consultation expense		22,647,696.05
Shandong Hi-speed Architectural Design Co., Ltd.	Consultation expense	350,000.00	1,231,200.00
Shandong Luqiao Engineering Design Consulting Co., Ltd.	Consultation expense		348,476.00
Shandong Hi-Speed Engineering Detection Co., Ltd.	Consultation expense	279,000.00	
Shandong Hi-Speed Engineering Consulting Group Co., Ltd.	Consultation expense	296,310.00	
Shandong Hi-Speed Honglin Engineering Technology Co., Ltd	Consultation expense	370,000.00	
Shandong Hi-Speed Road Development Co., Ltd.	Advertising expenses	943,484.05	1,868,505.72
Shandong Hi-Speed Group Co., Ltd.	Advertising expenses	1,292,843.96	2,196,955.02
Shandong Hi-Speed Engineering Detection Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	24,404,573.68	9,213,459.50
Shandong High-Speed Engineering Project Management Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	5,777,392.49	2,889,539.64
Shandong Hi-speed	Reconstruction and	1,487,340.28	3,674,270.00

Information Engineering Co., Ltd.	general maintenance of road products and auxiliary facilities		
Shandong Hi-Speed Maintenance Group Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	261,834,543.10	139,714,867.96
Shandong Luqiao Engineering Design Consulting Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities		68,700.00
Shandong Luqiao Group Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	11,750,057.38	158,016,430.46
Jining Hongxiang Highway Survey and Design Institute Co., Ltd	Reconstruction and general maintenance of road products and auxiliary facilities	66,400.00	
Shandong High-Speed Engineering Construction Group Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	10,315,768.44	
Shandong Hi-Speed Information Group Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	2,072,389.34	
Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	513,363.00	
Shandong Sanyi Engineering Construction Supervision Co., Ltd	Reconstruction and general maintenance of road products and auxiliary facilities	27,284.73	
Shandong Hi-Speed Information Engineering Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	1,752,619.75	
Shaanxi Shangao Yuhetian Construction Engineering Co., Ltd.	Reconstruction and general maintenance of road products and auxiliary facilities	5,983,080.00	
Guangdong Jiayi Engineering Co., Ltd.	Information engineering transformation and maintenance	554,749.04	146,541,209.60
Shandong High-Speed Engineering Project Management Co., Ltd.	Information engineering transformation and maintenance	2,043,540.20	900,480.00
Shandong Hi-speed Information Engineering Co., Ltd.	Information engineering transformation and maintenance	521,991.00	47,098,609.53
Shandong Luqiao Group Co., Ltd.	Information engineering transformation and maintenance	91,000.00	819,000.00
Shandong Aobang Transportation Facilities Co., Ltd.	Information engineering transformation and maintenance	1,572,301.76	
Shandong Hi-Speed Xinwei	Information engineering	6,000.00	

Information Technology Co., Ltd.	transformation and maintenance		
Shandong Hi-Speed Information Group Co., Ltd.	Information engineering transformation and maintenance	7,345,466.15	
Shandong Zhengchen Technology Co., Ltd.	Information engineering transformation and maintenance	29,100.00	
Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	Integrated Service		10,318,900.00
Wuhan Jincheng Xingfa Real Estate Co., Ltd.	Integrated Service		363,344.40
Shandong Hi-Speed Engineering Detection Co., Ltd.	Integrated Service	300,000.00	
Shandong Hi-Speed New Material Technology Co., Ltd.	Integrated Service	63,400.00	
East Highway and Bridge Construction Corporation of Shandong	Integrated Service	800.00	
Shandong Hi-Speed Changtong Road and Bridge Engineering Co., Ltd.	Integrated Service	200.00	
Shandong Hi-Speed Service Development Group Co., Ltd.	Integrated Service	439,801.06	
Shandong High-Speed Engineering Construction Group Co., Ltd.	Integrated Service	1,000.00	
Shandong Hi-Speed Group Co., Ltd.	Integrated Service	418,741.53	
Shandong Hi-speed Jiwei Highway (Jining) Co., Ltd.	Integrated Service	1,000.00	
Shandong Hi-Speed Road & Bridge Co., Ltd.	Integrated Service	500.00	
Shandong High-speed Basketball Club Co., Ltd.	Integrated Service	27,000,000.00	
Shandong Hi-Speed Qingdao Property Management Co., Ltd.	Integrated Service	62,466.06	
Shandong Hi-Speed Bioengineering Co., Ltd.	Integrated Service	20,000.00	
Shandong Hi-Speed Traffic Logistics Investment Co., Ltd.	Integrated Service	3,132.08	
Shandong Hi-Speed Property Management Co., Ltd.	Integrated Service	843,814.35	
Shandong Hi-Speed New Material Technology Co., Ltd.	Integrated Service	1,415,094.34	
Shandong Hi-Speed New Industrial Development Group Co., Ltd.	Integrated Service	6,000.00	
Shandong Hi-Speed Xinlian Technology Co., Ltd.	Integrated Service	101,862,505.29	

Shandong Hi-Speed Xinlian Payment Co., Ltd.	Integrated Service	13,015.70	
Shandong Hi-speed Information Engineering Co., Ltd.	Integrated Service	608,603.77	
Shandong Hi-Speed Information Group Co., Ltd.	Integrated Service	987,656.96	
Shandong Luqiao Building Materials Co., Ltd.	Integrated Service	400.00	
Shandong Luqiao Construction Co., Ltd.	Integrated Service	600.00	
Shandong Qilu Electronic Tendering and Procurement Service Co., Ltd.	Integrated Service	3,760.00	
Shandong High-Speed Bridge Construction Group Co., Ltd.	Integrated Service	1,800.00	
Shandong Luqiao Group Co., Ltd.	Integrated Service	3,900.00	
Shandong Shundu Road & Bridge Engineering Co., Ltd.	Integrated Service	200.00	
Shandong Zhengchen Technology Co., Ltd.	Integrated Service	1,944,326.50	
Yinfeng Smart Property Service Group Co., Ltd.	Integrated Service	14,808,848.00	
Shandong Hi-Speed Group Co., Ltd.	Receive Labor service	32,351,830.45	11,678,243.02
Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	Receive Labor service	24,420,122.56	1,952,400.00
Shandong Hi-Speed Information Group Co., Ltd.	Receive Labor service	10,000.00	995,750.00
Shandong Hi-Speed Information Engineering Co., Ltd.	Receive Labor service	1,197,960.00	
Shandong Hi-Speed Honglin Engineering Technology Co., Ltd.	Receive Labor service	288,679.25	
Shandong Hi-Speed Engineering Detection Co., Ltd.	Receive Labor service	8,171,436.17	
Shandong Hi-speed Information Engineering Co., Ltd.	Receive Labor service	1,800.00	
Shandong Hi-Speed Weihai Development Co., Ltd.	Receive Labor service	5,201.00	
Shandong Hi-Speed (Weihai) International Trade Co., Ltd.	Receive Labor service	27,527.00	
Shandong Highway Bridge Construction Co., Ltd.	Receive Labor service	215,333.00	
Shandong Hi-Speed Maintenance Group Co., Ltd.	Receive Labor service	236,919.14	
Shandong Qizhi Information Co., Ltd.	Receive Labor service	780.00	
Shandong Hi-Speed Group	Loan interest expense	5,587,847.23	10,399,952.42

Co., Ltd.			
Total		4,688,689,685.03	2,728,168,599.43

Schedule of goods sold/services provided

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Related party	Content of related transactions	Amount incurred in the current period	Amount incurred in the previous period
Shandong Hi-Speed New Material Technology Co., Ltd.	Project funds		2,031,324.12
Shandong Luqiao Group Co., Ltd.	Project funds		88,932,511.00
Shandong Zhengchen Technology Co., Ltd.	Project funds		183,486.24
Shandong High-Speed Engineering Construction Group Co., Ltd.	Project funds	2,620,595.41	
Jinan Puyuan Real Estate Co., Ltd.	Interest incomes	18,492,289.14	72,120,272.23
East Highway and Bridge Construction Corporation of Shandong	Sale of goods	6,177,473.93	4,336,895.74
Shandong Hi-Speed Qilu Construction Group Co., Ltd.	Sale of goods	8,981,696.97	8,206,141.67
Shandong Hi-Speed Bioengineering Co., Ltd.	Sale of goods		292,769.75
Shandong Hi-Speed Materials Group Co., Ltd.	Sale of goods		37,404,955.75
Shandong Hi-Speed New Material Technology Co., Ltd.	Sale of goods		161,291,912.22
Shandong Hi-speed Information Engineering Co., Ltd.	Sale of goods	144,601.77	4,708,185.84
Shandong Luqiao Building Materials Co., Ltd.	Sale of goods	400,506.57	111,988.00
Shandong Luqiao Construction Co., Ltd.	Sale of goods		1,998,251.32
Shandong High-Speed Bridge Construction Group Co., Ltd.	Sale of goods	14,056,195.25	19,105,864.80
Shandong Luqiao Group Co., Ltd.	Sale of goods	208,991,356.45	265,508,157.83
Shandong Hi-Speed Maintenance Group Co., Ltd.	Sale of goods	31,191,937.05	
Shandong Weilai High Speed Railway Co., Ltd.	Sale of goods		19,645,908.00
Shandong High-Speed Engineering Construction Group Co., Ltd.	Sale of goods	17,260,229.48	
Shandong Hi-Speed Engineering Consulting Group Co., Ltd.	Sale of goods	1,699,115.04	
Shandong Hi-Speed Road & Bridge Co., Ltd.	Sale of goods	2,941,031.79	

Shandong Hi-Speed Shuntong Road & Bridge Maintenance Co., Ltd.	Sale of goods	2,726,955.97	
Shandong Hi-Speed Weifang Development Co., Ltd.	Sale of goods	116,708.94	
Shandong Hi-Speed Information Group Co., Ltd.	Sale of goods	15,496,226.55	
Shandong Lingang Shugang Rail Transit Co., Ltd.	Sale of goods	40,266,555.61	
Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	Sale of goods	7,079.65	
Shandong Luqiao Municipal Engineering Co., Ltd.	Sale of goods	44,372.04	
Ranken Railway Construction Group Co., Ltd.	Sale of goods	7,545,118.91	
Ji'nan Xinyue New Road Material Research and Development Co., Ltd.	Sale of goods	557,740.97	
Rizhao Ganghui Logistics Co., Ltd.	Provide transportation services		389,920.93
Shandong Hi-Speed New Material Technology Co., Ltd.	Provide transportation services		3,207,193.39
Weifang Bincheng Investment Development Co., Ltd.	Provide integrated services		82,641.48
Shandong Hi-speed Information Engineering Co., Ltd.	Provide integrated services		1,258,634.92
Shandong Highway & Bridge Construction Co., Ltd.	Provide integrated services		93,324.00
Shandong Hi-Speed Communication Technology Co., Ltd.	Provide integrated services		4,680.27
Shandong Luqiao Group Co., Ltd.	Provide integrated services	4,564,316.92	4,950,776.38
Shandong Hi-Speed New Material Technology Co., Ltd.	Provide integrated services	11,544.34	2,521,805.85
Jinan Changying Transportation Infrastructure Investment Fund Partnership (Limited Partnership)	Provide integrated services	5,436,837.96	
Jining Hongxiang Highway Survey and Design Institute Co., Ltd.	Provide integrated services	612,927.28	
Shandong Hi-Speed Binzhou Property Co., Ltd.	Provide integrated services	185,930.30	
Shandong Hi-Speed Service Development Group Co.,	Provide integrated services	18,867.92	

Ltd.			
Shandong Hi-Speed New Material Technology Co., Ltd.	Provide integrated services	415,237.42	
Shandong Hi-Speed High-tech Investment Co., Ltd	Provide integrated services	4,400.99	
Shandong Hi-Speed Engineering Detection Co., Ltd.	Provide integrated services	229,662.29	
Shandong Hi-Speed Engineering Consulting Group Co., Ltd.	Provide integrated services	67,699.42	
Shandong Hi-Speed Honglin Engineering Technology Co., Ltd	Provide integrated services	164,465.64	
Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	Provide integrated services	86,189.49	
Shandong Hi-speed Architectural Design Co., Ltd.	Provide integrated services	798,992.81	
Shandong Hi-Speed Road & Bridge Co., Ltd.	Provide integrated services	2,088, 892. 62	
Shandong Hi-Speed New Material Technology Co., Ltd.	Provide integrated services	1,254.98	
Shandong Hi-Speed Green Technology Development Co., Ltd.	Provide integrated services	49,786.27	
Shandong Hi-Speed Niluo Investment Development Co., Ltd.	Provide integrated services	514,331.66	
Shandong High-Speed Qingdao Development Co., Ltd.	Provide integrated services	209,870.06	
Shandong Hi-Speed Rizhao Development Co., Ltd.	Provide integrated services	19,419.09	
Shandong Hi-Speed Petrochemical Co., Ltd.	Provide integrated services	4,465, 242. 39	
Shandong Hi-Speed Xinlian Technology Co., Ltd.	Provide integrated services	1,008, 979. 88	
Shandong Hi-Speed Information Group Co., Ltd.	Provide integrated services	3,752, 340. 70	
Shandong Qilu Electronic Tendering and Procurement Service Co., Ltd.	Provide integrated services	943.40	
Shandong Hi-Speed Maintenance Group Co., Ltd.	Provide integrated services	2,151,327.44	
Shandong High-Speed Bridge Construction Group Co., Ltd.	Provide integrated services	3,739, 042. 00	
Shandong Hi-Speed Zhongtong New and Old Kinetic Energy Conversion Industry Investment Fund Partnership (Limited	Provide integrated services	329,283.96	

Partnership)			
CSIC EIT (Shandong) City Operation Service Co., Ltd	Provide integrated services	100,881.65	
Weifang Shangao new and old energy conversion investment partnership (Limited Partnership)	Provide integrated services	10,629,683.02	
Jining Hongxiang Highway Survey and Design Institute Co., Ltd	Sales of goods and comprehensive services		693,292.44
Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	Sales of goods and comprehensive services		407,185.36
Shandong Hi-Speed New Material Technology Co., Ltd.	Sales of goods and comprehensive services		2,521,805.85
Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	Sales of goods and comprehensive services		62,355.19
Shandong Hi-speed Architectural Design Co., Ltd.	Sales of goods and comprehensive services		796,321.98
Shandong Hi-Speed Jiaolan Science and Technology Development Co., Ltd	Sales of goods and comprehensive services		604.62
Shandong Hi-Speed Green Technology Development Co., Ltd.	Sales of goods and comprehensive services		176,465.92
Shandong Hi-Speed Niluo Investment Development Co., Ltd.	Sales of goods and comprehensive services		401,278.77
Shandong Hi-Speed Petrochemical Co., Ltd.	Sales of goods and comprehensive services		642,413.13
Shandong Hi-Speed Xinlian Technology Co., Ltd.	Sales of goods and comprehensive services		104,667.85
Shandong Honglin Engineering Technology Co., Ltd.	Sales of goods and comprehensive services		110,126.04
Shandong Hi-Speed New Material Technology Co., Ltd.	Sales of goods and comprehensive services	63,739,475.05	
Total		485,115,614.43	704,304,118.88

Description of related transactions of purchase and sale of goods, provision and acceptance of services

Applicable Not applicable

(2). Related trustee management/contracting and entrusted management/outsourcing

Entrusted management/contracting of the Company:

Applicable Not applicable

Unit: Yuan Currency: CNY

Name of principal/subcontractor	Name of entrusted party/contractor	Type of entrusted/contracted assets	Start date of entrustment/contract	Termination date of entrustment/contract	Pricing basis of custody income/contract income

Shandong Hi-Speed Gaoguang Highway Co., Ltd.	Shandong Hi-Speed Company Limited	Custody of other assets	January 1, 2020	December 31, 2022	Agreement
Shandong Hi-Speed Taidong Highway Co., Ltd.	Shandong Hi-Speed Company Limited	Custody of other assets	January 1, 2022	December 31, 2022	Agreement
Shandong Hi-speed Linzao-Zaomu Road Co., Ltd	Shandong Hi-Speed Company Limited	Custody of other assets	January 1, 2022	December 31, 2022	Agreement
Shandong Hi-Speed Weiri Highway Co., Ltd.	Shandong Hi-Speed Company Limited	Custody of other assets	January 1, 2022	December 31, 2022	Agreement
Shandong Hi-Speed Longqing Expressway Co., Ltd.	Shandong Hi-Speed Company Limited	Custody of other assets	January 1, 2022	December 31, 2022	Agreement
Shandong Hi-speed Juancheng-Heze Road Co., Ltd.	Shandong Hi-Speed Company Limited	Custody of other assets	January 1, 2022	December 31, 2022	Agreement
Shandong Hi-speed City Investment Ring Expressway Co., Ltd.	Shandong Hi-Speed Company Limited	Custody of other assets	January 1, 2022	December 31, 2022	Agreement
Shandong Hi-Speed Road Development Co., Ltd.	Shandong Hi-Speed Company Limited	Custody of other assets	January 1, 2022	December 31, 2022	Agreement
Shandong Hi-Speed Group Co., Ltd.	Shandong Hi-Speed Company Limited	Custody of other assets	January 1, 2022	December 31, 2022	Agreement

Description of associated trusteeship/contracting

Applicable Not applicable

Entrusted management/outsourcing of the Company

Applicable Not applicable

Description of associated management/outsourcing

Applicable Not applicable

(3). Related leasing

With the Company as lessor:

Applicable Not applicable

Unit: Yuan Currency: CNY

Name of lessee	Types of leased assets	Rental income recognized in the current period	Rental income recognized in the previous period
Shandong Hi-Speed Culture Media Co., Ltd.	Right to use advertising space		460,952.38

Shandong Hi-Speed Service Development Group Co., Ltd.	Xuyu Expressway Guodian Parking Area	476,190.48	
Rizhao Ganghui Logistics Co., Ltd	Pinglan railway freight yard and mechanical equipment	3,716,814. 12	3,813,756. 90
Shandong Luqiao Group Co., Ltd.	Qixing Building	3,902, 982. 55	1,348, 892. 44
Shandong High-speed Logistics Group Co., Ltd.	Toll plaza		219,723.81
Shandong Environmental Protection Industry Co., Ltd.	Qixing Building	1,029, 133. 47	269,796.02
Shandong Hi-Speed Green Technology Development Co., Ltd.	Qixing Building	478,105.86	475,873.09
Shandong Hi-Speed Communication Technology Co., Ltd.	Pore rental	141,540.00	
Shandong Hi-speed Information Engineering Co., Ltd.	Pore rental	465,356.71	
Shandong Hi-Speed Group Co., Ltd.	The lease of houses	200,000.00	
Shandong Hi-Speed Group Co., Ltd.	Rushan north land rental	12,000.00	
Shandong Hi-Speed Honglin Engineering Technology Co., Ltd	Qixing Building	1,050, 602. 00	
Shandong High-Speed Bridge Construction Group Co., Ltd.	Project office land lease	258,904.11	
Shandong Hi-Speed Service Development Group Co., Ltd.	Service area rental	26,000,000.00	
Shandong High-Speed Hubei Maintenance Technology Co., Ltd.	Land	110,091.74	
Shandong Hi-speed Information Engineering Co., Ltd.	Pore		1,258, 634. 92

Shandong Hi-Speed Communication Technology Co., Ltd.	Pore		589,714.29
Shandong Hi-Speed Petrochemical Co., Ltd.	Service area gas station	11,431,542.14	9,735,428.24
Shandong Hi-Speed Green Technology Development Co., Ltd.	Qixing Building	221,031.03	
Weihai City Commercial Bank Co., Ltd.	Advertising board rental	552,972.23	
Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	Office building in Olympic Middle Road	305,696.96	293,629.46
Shandong Hi-speed Architectural Design Co., Ltd.	Office building in Olympic Middle Road	1,673,981.43	1,564,061.68
Jining Hongxiang Highway Survey and Design Institute Co., Ltd.	Office building in Olympic Middle Road	1,609,220.61	1,789,275.32
Shandong Hi-Speed Petrochemical Co., Ltd.	Office building in Olympic Middle Road	1,642,155.64	1,593,981.94
Shandong Hi-Speed Niluo Investment Development Co., Ltd.	Office building in Olympic Middle Road	1,660,845.38	1,172,371.49
Shandong Hi-Speed Xinlian Technology Co., Ltd.	Office building in Olympic Middle Road	1,354,171.27	496,948.86
Shandong Hi-Speed New Material Technology Co., Ltd.	Office building in Olympic Middle Road	1,302,996.25	634,316.02
CSIC EIT (Shandong) City Operation Service Co., Ltd	Office building in Olympic Middle Road	551,691.92	
Shandong Provincial Traffic Engineering Supervision Consulting Co., Ltd.	Office building in Olympic Middle Road	155,259.66	
Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	Office building in Olympic Middle Road		1,171,044.98
Hubei Fanwei Expressway Development Co.,	Vehicle		48,571.42

Ltd.			
Shandong High-Speed Hubei Maintenance Technology Co., Ltd.	Maintenance of science and technology sites		110,091.74
Shandong Hi-Speed Maintenance Group Co., Ltd.	Chengnan Avenue Management Center, Jiangyang District, Luzhou City	22,857.14	

With the Company as the lessee:

Applicable Not applicable

Unit: Yuan Currency: CNY

Name of lessor	Types of leased assets	Rental fee recognized of this period	Rental fee recognized in the previous period
Hubei Wujing Expressway Development Co., Ltd	Boshihui office building		2,488,972.50
Shandong Hi-Speed Company Limited	Office building of Shandong Hi-speed Group Co., Ltd		302,220.00
Qilu Expressway Co., Ltd.	Deshang Expressway and Xinnan Expressway Land	5,773,560.61	2,255,790.07
Shandong Hi-Speed Company Limited	East office building of Jiqing Hi-speed Lingdian Interchange	440,000.00	

Description of associated rental

Applicable Not applicable

(4). Situation of associated guarantee

With the Company as the guarantor

Applicable Not applicable

Unit: Yuan Currency: CNY

Guaranteed party	Amount of guarantee	Starting date of guarantee	Ending date of guarantee	Whether the guarantee has been performed completely
Shandong General Aviation Service Co., Ltd	44,417,058.82	August 26, 2021	September 7, 2029	No

With the Company as the guarantor

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Guarantor	Amount of guarantee	Starting date of guarantee	Ending date of guarantee	Whether the guarantee has been performed completely
Shandong Hi-Speed Group Co., Ltd.	486,480,000.00	2019-11-29	2039-11-29	No
Shandong Hi-Speed Group Co., Ltd.	12,000,000.00	2020-9-29	2050-9-29	No
Shandong Hi-Speed Group Co., Ltd.	8,000,000.00	2020-10-9	2050-10-9	No
Shandong Hi-Speed Group Co., Ltd.	155,000,000.00	2021-2-1	2051-2-1	No
Shandong Hi-Speed Group Co., Ltd.	45,000,000.00	2021-2-21	2051-2-21	No
Shandong Hi-Speed Group Co., Ltd.	600,000,000.00	2021-4-21	2051-4-21	No
Shandong Hi-Speed Group Co., Ltd.	69,255,000.00	2017-2-9	2032-12-20	No
Shandong Hi-Speed Group Co., Ltd.	138,510,000.00	2017-2-27	2032-12-20	No
Shandong Hi-Speed Group Co., Ltd.	69,255,000.00	2017-4-12	2032-12-20	No
Shandong Hi-Speed Group Co., Ltd.	69,255,000.00	2017-4-12	2032-12-20	No
Shandong Hi-Speed Group Co., Ltd.	69,255,000.00	2017-4-14	2032-12-20	No
Shandong Hi-Speed Group Co., Ltd.	69,300,000.00	2017-4-12	2032-12-20	No
Shandong Hi-Speed Group Co., Ltd.	69,300,000.00	2017-4-14	2032-12-20	No
Shandong Hi-Speed Group Co., Ltd.	136,800,000.00	2017-4-14	2032-12-20	No
Konka Group Co., Ltd.	30,000,000.00	2021-1-29	2022-1-28	No
Konka Group Co., Ltd.	50,000,000.00	2021-6-18	2022-6-17	No
Konka Group Co., Ltd.	50,000,000.00	2021-3-24	2022-3-24	No

Explanation on related-party guarantee

□ Applicable √ Not applicable

(5). Borrowing and lending of related parties

□ Applicable √ Not applicable

(6). Asset transfer and debt restructuring of related parties.

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Related party	Content of related transactions	Amount incurred in the current period	Amount incurred in the previous period
Shandong Hi-Speed Materials Group Co., Ltd.	Property transaction		35,000,000.00
Shandong Hi-Speed Group Co., Ltd.	Property transaction	1,554,444,800.00	3,487,254,636.00

(7). Remuneration of key management personnel.

√Applicable □Not applicable

Unit: yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
Remuneration of key management personnel	1,060.37	1,090.62

(8). Other related transactions

√Applicable □Not applicable

Unit: Yuan; Currency: CNY

Name of related party	Transaction type	Amounts incurred of current year	Amount incurred in last year
Weihai City Commercial Bank Co., Ltd.	Deposit interest income	7,279,057.48	8,908,716.12
Weihai City Commercial Bank Co., Ltd.	Loan interest expense	28,651,911.44	127,945,408.00

Note: loan interest is the interest paid by the Company through Weihai City Commercial Bank Co., Ltd. accepting entrusted loans.

6. Receivables and payables of related parties**(1). Receivables**

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item Description	Related party	Ending balance		Beginning balance	
		Book Balance	Bad debt provision	Book Balance	Bad debt provision
Current account deposit	Weihai City Commercial Bank Co., Ltd.	483,052,879.58		324,239,293.69	
Other receivables	High-speed backbone network (Shandong) Logistics Technology Co., Ltd.			14,339.00	
Other receivables	Huantai County Xinghuan Railway Investment Co.	70,000,000.00	24,148,587.72	70,000,000.00	18,884,200.00

	Ltd.				
Other receivables	Jinan Puyuan Real Estate Co., Ltd.	322,167,326.14		452,732,622.93	
Other receivables	Qingdao Pingdu Construction Investment Company			50,000.00	
Other receivables	Shandong Hi-Speed Standard Container Logistics Co., Ltd.			21,539.00	
Other receivables	Shandong Hi-Speed Changtong Road and Bridge Engineering Co., Ltd.			20,000.00	
Other receivables	Shandong Hi-Speed Service Area Management Co., Ltd.	11,652,707.88		11,603,291.93	
Other receivables	Shandong Hi-Speed New Material Technology Co., Ltd.	60,074.22		13,476.27	
Other receivables	Shandong Hi-Speed Road Development Co., Ltd.			4,638,404.08	
Other receivables	Shandong Hi-Speed Heze Development Co., Ltd.			5,001.61	
Other receivables	Shandong Hi-speed Hubei Development Co., Ltd.			348,646.09	
Other receivables	Shandong Hi-Speed Group Co., Ltd.	3,456,330.12		1,955,791.13	
Other receivables	Shandong Hi-Speed Petrochemical Co., Ltd.	16,283.39		32,137.00	
Other receivables	Shandong High-speed Logistics Group Co., Ltd.			4,605.00	
Other	Shandong	5,000.00		5,000.00	

receivables	Hi-Speed Property Management Co., Ltd.				
Other receivables	Shandong Hi-Speed Xicheng Property Co., Ltd.	2,580,123,634.69		2,680,123,634.69	
Other receivables	Shandong Hi-Speed New Material Technology Co., Ltd.	2,000.00		34,885.02	
Other receivables	Shandong Hi-Speed Xinlian Payment Co., Ltd.	13,321,634.36		7,831,217.04	
Other receivables	Shandong Hi-speed Zhanlin Expressway Co., Ltd.			1,500,000.00	
Other receivables	Shandong Lingang Shugang Rail Transit Co., Ltd.	5,341,620.40		5,197,219.00	
Other receivables	Shandong Luqiao Construction Co., Ltd.			1,757,654.88	
Other receivables	Shandong Hi-Speed Maintenance Group Co., Ltd.	438,648.62		210,433.37	
Other receivables	Shandong Highway & Bridge Construction Co., Ltd.	10,709,259.09		6,269,048.12	
Other receivables	Shandong Environmental Protection Industry Co., Ltd.			269,796.02	
Other receivables	Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	2,000.00		2,000.00	
Other receivables	Shandong Road & Bridge Group Co., Ltd.	8,966,539.07		11,140,681.70	

Other receivables	Yunnan Suomeng Expressway Co., Ltd.	100,721.00		100,721.00	
Other receivables	Zouping Communication Infrastructure Construction Investment Co., Ltd.	44,000,000.00	15,179,112.28	44,000,000.00	11,870,000.00
Other receivables	Shanghai Zenitek Technology (Group) Co., Ltd.			18,410,029.32	
Other receivables	Jinan Changying transportation infrastructure investment fund partnership (Limited Partnership)	1,030,821.92			
Other receivables	Shandong Aobang Transportation Facilities Co., Ltd.	3,985,528.50			
Other receivables	East Highway and Bridge Construction Corporation of Shandong	2,015,327.39			
Other receivables	Shandong Hi-Speed Service Development Group Co., Ltd.	6,600.00			
Other receivables	Shandong High-Speed Engineering Construction Group Co., Ltd.	350,000.00			
Other receivables	Shandong Hi-Speed Engineering Consulting Group Co., Ltd.	8,164.25			
Other receivables	Shandong Hi-speed Jiwei Highway (Jining) Co., Ltd.	100,000.00			
Other receivables	Shandong Hi-Speed Transportation Construction	823,439.65			

	Investment Co., Ltd.				
Other receivables	Shandong Hi-Speed Green Technology Development Co., Ltd.	147,240.70			
Other receivables	Shandong Hi-Speed Communication Technology Co., Ltd.	141,540.00			
Other receivables	Shandong Hi-speed Information Engineering Co., Ltd.	1,010,641.71			
Other receivables	Shandong Provincial Traffic Engineering Supervision Consulting Co., Ltd.	52,509.52			
Other receivables	Shandong Luqiao Municipal Engineering Co., Ltd.	1,000,000.00			
Other receivables	Shandong Shundu Road & Bridge Engineering Co., Ltd.	100,000.00			
Other receivables	Shandong Expressway (Hubei) Maintenance Technology Co., Ltd.	120,000.00			
Other receivables	Huoqiu Kangrun Kaitian Water Affairs Environmental Protection Co., Ltd.	22,427.55	1,121.38		
Other receivables	Yibin Kangrun Environmental Technology Co., Ltd.	19,973,113.35	998,655.67		
Other receivables	Konka Group Co., Ltd.	12,643.16	632.16		
Other receivables	Yibin Kangrun Environmental Protection	25,792.73	1,289.64		

	Power Generation Co., Ltd.				
Other receivables	Yibin Kangrun Medical Waste Centralized Treatment Co., Ltd.	230,047.47	11,502.37		
Other receivables	Ji'nan Xinyue New Road Material Research and Development Co., Ltd.	516,476.93	15,494.31	117,498.07	
Notes receivable	Shandong Hi-Speed Construction Materials Co., Ltd.	4,000,000.00		4,000,000.00	
Notes receivable	Shandong Hi-speed Architectural Design Co., Ltd.			200,000.00	
Notes receivable	Shandong Hi-Speed Qilu Construction Group Co., Ltd.	7,530,486.76		3,698,920.00	
Notes receivable	Shandong Lingang Shugang Rail Transit Co., Ltd.	12,500,000.00		2,500,000.00	
Notes receivable	Shandong Luqiao Construction Co., Ltd.			5,000,000.00	
Notes receivable	Shandong High-Speed Bridge Construction Group Co., Ltd.	3,897,586.42		2,500,000.00	
Notes receivable	Shandong Hi-Speed Group Co., Ltd.	1,500,000.00		3,000,000.00	
Notes receivable	Shandong Luqiao Group Co., Ltd.	74,381,986.58		34,634,788.40	
Notes receivable	East Highway and Bridge Construction Corporation of Shandong	20,926.47			
Notes receivable	Shandong Hi-speed Jinan Expressway Co.,	20,270,156.00			

	Ltd.				
Notes receivable	Shandong Hi-Speed Jinan-Taian Eastern Line Highway Co., Ltd.	4,000,000.00			
Notes receivable	Shandong Hi-speed Information Engineering Co., Ltd.	5,164,819.49			
Notes receivable	Shandong Hi-Speed Maintenance Group Co., Ltd.	140,794,609.68			
Notes receivable	Ranken Railway Construction Group Co., Ltd.	6,554,889.12			
Accounts receivable	Shandong Hi-Speed Qilu Construction Group Co., Ltd.	2,796,311.32		4,927,266.59	
Accounts receivable	Shandong Hi-Speed Materials Group Co., Ltd.			33,184,800.00	
Accounts receivable	Shandong Hi-Speed New Material Technology Co., Ltd.	106,092,433.75		135,263,799.69	
Accounts receivable	Shandong Hi-Speed Xinlian Technology Co., Ltd.			288,289.42	
Accounts receivable	Shandong Hi-speed Xinwei Information Technology	178,500.00		178,500.00	
Accounts receivable	Shandong Hi-speed Information Engineering Co., Ltd.	242,144.00		527,625.00	
Accounts receivable	Shandong High-Speed Engineering Construction Group Co., Ltd.	8,653,288.76		1,793,689.67	
Accounts receivable	Shandong Hi-Speed Maintenance	7,739,000.00		20,047.50	

	Group Co., Ltd.				
Accounts receivable	Shandong Highway & Bridge Construction Co., Ltd.	8,169,998.58		4,182,932.35	
Accounts receivable	Shandong Road & Bridge Group Co., Ltd.	46,573,088.22		227,054,735.82	
Accounts receivable	Shandong Hi-Speed Communication Technology Co., Ltd.			619,200.00	
Accounts receivable *	Shandong Hi-speed Architectural Design Co., Ltd.	2,030,427.91			
Accounts receivable	Jinan Changying Transportation Infrastructure Investment Fund Partnership (Limited Partnership)	12,349,552.06			
Accounts receivable	East Highway and Bridge Construction Corporation of Shandong	6,202,292.15			
Accounts receivable	Shandong Hi-Speed New Material Technology Co., Ltd.	1,778,495.77			
Accounts receivable	Shandong Hi-Speed Transportation Construction Investment Co., Ltd.	706,314.60			
Accounts receivable	Shandong Hi-Speed Shuntong Road & Bridge Maintenance Co., Ltd.	489,942.75			
Accounts receivable	Shandong Hi-Speed Information Group Co., Ltd.	12,847,026.43			
Accounts receivable	Shandong Luqiao Building Materials Co., Ltd.	452,572.42			

Accounts receivable	Shandong Provincial Traffic Engineering Supervision Consulting Co., Ltd.	1,296,771.38			
Accounts receivable	Shandong Luqiao Municipal Engineering Co., Ltd.	50,140.40			
Accounts receivable	Shandong CSIC Chinatong New Old Energy Conversion Industry Investment Fund Partnership (Limited Partnership)	349,041.00			
Accounts receivable	Weifang Shangao New and Old Kinetic Energy Conversion Fund Project Partnership (limited)	21,511,164.00			
Accounts receivable	Ranken Railway Construction Group Co., Ltd.	1,971,096.59			
Accounts receivable	Binzhou Beihai Weiqiao Waste disposal Co., Ltd.	6,299,250.00	3,089,153.23		
Accounts receivable	Guangdong Jiayi Engineering Co., Ltd.	7,595,304.50			
Prepayment	Shandong Hi-Speed Group Co., Ltd.	12,000.00		14,426.64	
Prepayment	Shandong Hi-Speed Logistics Supply Chain Co., Ltd.			1,000,013.90	
Prepayment	Shandong Hi-Speed Property Management Co., Ltd.	32,220.00		32,220.00	
Prepayment	Shandong Hi-Speed Xinlian Technology Co.,	103,050.73		68,431.29	

	Ltd.				
Prepayment	Shandong Hi-Speed Xinlian Payment Co., Ltd.	27,849.82		9,026.38	
Prepayment	Shandong Hi-Speed Maintenance Group Co., Ltd.	22,645,125.22		273,911.87	
Prepayment	Shandong Luqiao Group Co., Ltd.	781,923,265.87		197,244,382.70	
Prepayment	Shandong Expressway Service Area Promotion Construction Engineering Co., Ltd.			71,878,367.59	
Prepayment	Shandong Hi-Speed Qilu Construction Group Co., Ltd.	10,633,941.78		10,633,941.78	
Prepayment	Shandong High-Speed Bridge Construction Group Co., Ltd.	18,968,563.90		330,104,673.96	
Prepayment	Shandong Hi-speed Information Engineering Co., Ltd.	1,938,725.47		1,938,725.47	
Prepayment	Shandong High-Speed Engineering Construction Group Co., Ltd.	250,000.00			
Prepayment	Shandong High-Speed Manyi Logistics Technology Co., Ltd.	209,278.55			
Prepayment	Shandong Hi-Speed New Material Technology Co., Ltd.	396,177.16			
Prepayment	China Overseas Development (Shandong) Co., Ltd.	288,745.29			
Prepayment	Guangdong Jiayi Engineering Co.,	9,613,932.60			

	Ltd.				
Prepayment	Shandong Hi-Speed Honglin Engineering Technology Co., Ltd	1,797,199.50			
Contract assets	Shandong Lingang Shugang Rail Transit Co., Ltd.	74,634,044.44			
Contract assets	Shandong Luqiao Group Co., Ltd.	46,395,354.48			

(2) Payables

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Item Description	Related party	Ending book balance	Beginning Book Balance
Deferred income	Weifang Bincheng Investment Development Co., Ltd.	2,293,301.96	2,375,943.44
Contract liabilities	Rizhao Ganghui Logistics Co., Ltd		2,011.23
Contract liabilities	Shandong Hi-Speed New Material Technology Co., Ltd.	141,482.12	138,894.79
Contract liabilities	Shandong High-Speed Engineering Project Management Co., Ltd.		849.06
Contract liabilities	Shandong Hi-Speed Jitai Mining Investment Co., Ltd.		117,301.38
Contract liabilities	Shandong Hi-speed Architectural Design Co., Ltd.	174,646.02	163,069.01
Contract liabilities	Shandong Hi-Speed Engineering Consulting Group Co., Ltd.		943.40
Contract liabilities	Shandong Hi-Speed Road & Bridge Co., Ltd.		655,226.92
Contract liabilities	Shandong Hi-Speed Green Technology Development Co., Ltd.		93,668.63
Contract liabilities	Shandong Hi-Speed Niluo Investment Development Co., Ltd.	194,177.45	248,619.55
Contract liabilities	Shandong Hi-Speed Petrochemical Co., Ltd.	108,406.96	159,162.09

Contract liabilities	Shandong Hi-Speed Xinlian Technology Co., Ltd.		169,981.98
Contract liabilities	Shandong Luqiao Group Co., Ltd.	87,206.78	60,598.52
Contract liabilities	Jining Hongxiang Highway Survey and Design Institute Co., Ltd.	48,412.50	
Contract liabilities	Shandong High-Speed Manyi Logistics Technology Co., Ltd.	10,906.17	
Contract liabilities	Shandong Hi-Speed Weifang Development Co., Ltd.	163,321.81	
Contract liabilities	Shandong Hi-Speed New Material Technology Co., Ltd.	13,698.11	
Contract liabilities	Shandong Lingang Shugang Rail Transit Co., Ltd.	12,889.13	
Contract liabilities	Shandong High-Speed Bridge Construction Group Co., Ltd.	6,760,958.00	
Contract liabilities	Shandong Provincial Traffic Engineering Supervision Consulting Co., Ltd.	242,010.29	
Contract liabilities	CSIC EIT (Shandong) City Operation Service Co., Ltd	804.18	
Other payables	Guangdong Jiayi Engineering Co., Ltd.	25,643,379.37	25,580,979.37
Other payables	Longkou Port Group Co., Ltd.	24,621,590.40	24,621,590.40
Other payables	Rizhao Ganghui Logistics Co., Ltd	100,000.00	7,723,319.95
Other payables	Shandong Hi-Speed Standard Container Logistics Co., Ltd.		6,000.00
Other payables	Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.		18,396,292.91
Other payables	Shandong Hi-Speed Service Area Management Co., Ltd.	2,829,424.28	2,863,768.98
Other payables	Shandong Hi-Speed Gaoguang Highway Co., Ltd.		1,000,558.03
Other payables	Shandong Hi-Speed Engineering Detection	2,094,632.51	1,011,603.49

	Co., Ltd.		
Other payables	Shandong High-Speed Engineering Project Management Co., Ltd.	3,265,910.59	2,671,589.39
Other payables	Shandong Hi-Speed Road Development Co., Ltd.	31,952,836.24	28,481,284.61
Other payables	Shandong Hi-Speed International Tourism Co., Ltd.	33,350.00	33,350.00
Other payables	Shandong Hi-Speed Jitai Mining Investment Co., Ltd.	5,074.53	5,074.53
Other payables	Electronic charge center of Shandong Hi-Speed Group Co., Ltd.	142,020.00	65,000.00
Other payables	Shandong Hi-Speed Group Co., Ltd.	347,225,067.99	540,862,204.91
Other payables	Shandong Hi-Speed Construction Materials Co., Ltd.		4,000,000.00
Other payables	Shandong Hi-speed Linzao-Zaomu Road Co., Ltd	158,330.00	276,610.00
Other payables	Shandong Hi-Speed Longqing Expressway Co., Ltd.	198,273.06	1,364,564.56
Other payables	Shandong Hi-Speed Green Technology Development Co., Ltd.	183,643.30	120,445.36
Other payables	Shandong Hi-Speed Qilu Construction Group Co., Ltd.	3,905,031.23	4,105,030.63
Other payables	Shandong Hi-Speed Qingdao West Coast Port Co., Ltd.	16,692.00	16,692.00
Other payables	Shandong Hi-Speed Taidong Highway Co., Ltd.		6,702,427.16
Other payables	Shandong Hi-Speed Weiri Highway Co., Ltd.	1,255,391.40	11,295,735.37
Other payables	Shandong Hi-Speed Culture Media Co., Ltd.	100,000.00	100,000.00
Other payables	Shandong Hi-Speed Property Management Co., Ltd.	1,816.32	1,816.32
Other payables	Shandong Hi-speed Information Engineering Co., Ltd.	16,221,266.23	24,536,345.66

Other payables	Shandong Juanhe Expressway Co., Ltd.	85,945.00	5,338,647.05
Other payables	Shandong Lingang Shugang Rail Transit Co., Ltd.	16,475,060.25	312,474,560.25
Other payables	Shandong Luqiao Construction Co., Ltd.		210,000.00
Other payables	Shandong Hi-Speed Maintenance Group Co., Ltd.	189,542,595.84	41,192,036.42
Other payables	Shandong High-Speed Bridge Construction Group Co., Ltd.	8,628,978.52	5,703,967.60
Other payables	Shandong Luqiao Group Co., Ltd.	53,429,266.19	97,763,031.19
Other payables	Shandong Railway Investment Holding Group Co., Ltd.		1,516,348,633.94
Other payables	Weifang Bincheng Investment Development Co., Ltd.		100,000.00
Other payables	Shandong Zhonglan Railway Operation Co., Ltd.	82,212,798.72	82,212,798.72
Other payables	Shandong Sanyi Engineering Construction Supervision Co., Ltd	106,065.80	
Other payables	Shanghai Zenitek Technology (Group) Co., Ltd.	31,500,000.00	31,500,000.00
Other payables	Shandong Hi-Speed Xinlian Payment Co., Ltd.	5,606,190.67	
Other payables	China Railway High Speed Logistics (Shandong) Co., Ltd.	10,000.00	
Other payables	Shandong Hi-Speed Jinan Investment and Engineering Co., Ltd.	45,844,863.87	51,592,623.31
Other payables	Shandong Hi-Speed Xicheng Property Co., Ltd.	73,754,610.96	131,594,717.16
Other payables	Longkou Port Group Railway Co., Ltd.	4,415,972.23	
Other payables	Shandong Aobang Transportation Facilities Co., Ltd.	945,588.79	
Other payables	Shandong Hi-Speed Binzhou Property Co., Ltd.	73,879.41	
Other payables	Shandong Hi-Speed	100,000.00	

	Material Storage & Transportation Co., Ltd.		
Other payables	Shandong Hi-Speed Service Development Group Co., Ltd.	34,344.70	
Other payables	Shandong Hi-Speed New Material Technology Co., Ltd.	2,643.40	
Other payables	Shandong Hi-Speed High-tech Investment Co., Ltd	2,000,000.00	
Other payables	Shandong High-Speed Engineering Construction Group Co., Ltd.	879,591.54	
Other payables	Shandong Hi-Speed Honglin Engineering Technology Co., Ltd	29,951.12	
Other payables	Shandong Hi-Speed Building Materials Group Co., Ltd.	4,000,000.00	
Other payables	Shandong Hi-Speed Qilu Construction Group Co., Ltd.	192,600.00	
Other payables	Shandong Hi-Speed Communication Technology Co., Ltd.	100,000.00	
Other payables	Shandong High-speed Logistics Group Co., Ltd.	5,220.00	
Other payables	Shandong Hi-Speed New Material Technology Co., Ltd.	350,000.00	
Other payables	Shandong Hi-Speed Xinlian Technology Co., Ltd.	102,130,930.00	
Other payables	Shandong Hi-Speed Information Group Co., Ltd.	19,036,096.69	16,328,012.25
Other payables	Shandong Hi-speed Smart City Service Co., Ltd.	600,000.00	
Other payables	Shandong Provincial Traffic Engineering Supervision Consulting Co., Ltd.	352,150.68	
Other payables	Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	525,842.96	
Other payables	Shandong Shuangli	28,984.88	

	Electronic Engineering Co., Ltd.		
Other payables	Shandong General Aviation Service Co., Ltd	14,330.46	
Other payables	Shandong Hi-Speed Information Engineering Co., Ltd.	1,015,568.45	5,885.00
Other payables	Shandong Zhengchen Technology Co., Ltd.	58,329.79	
Other payables	Taishan Property & Casualty Insurance Co., Ltd.	133,300.00	
Other payables	China Shandong International Economic & Technical Cooperation Group Ltd.	84,480.00	
Other payables	Konka Group Co., Ltd.	427,620,131.62	
Other payables	Yantai Fengqingtai Investment Center (Limited Partnership)	27,784,559.72	
Other payables	Yantai Baijiangyuan Enterprise Management Center (Limited Partnership)	62,364,906.58	
Other payables	Yantai Qingrunyuan Enterprise Management Center (Limited Partnership)	25,540,519.88	
Other payables	Yantai Qingjiangchuan Enterprise Management Center (Limited Partnership)	1,771,579.16	
Other payables	Shandong Hi-Speed Information Engineering Co., Ltd.	55,107.00	55,107.00
Accounts Payable	Guangdong Jiayi Engineering Co., Ltd.	3,543,722.81	57,679,944.27
Accounts Payable	Qingdao Pingdu Construction Investment Company		4,016,568.00
Accounts Payable	Shandong High-Speed Aowei Junshan Automobile Supply Chain Management Co., Ltd.	7,284.15	31,710.00
Accounts Payable	Shandong Hi-Speed Service Area	20,000.00	97,581.93

	Management Co., Ltd.		
Accounts Payable	Shandong Hi-Speed Engineering Detection Co., Ltd.	5,722,326.35	2,252,629.03
Accounts Payable	Shandong High-Speed Engineering Project Management Co., Ltd.	11,073,702.16	10,250,176.63
Accounts Payable	Shandong Hi-Speed Road Development Co., Ltd.	888,109.22	1,956,579.11
Accounts Payable	Shandong Hi-Speed Group Co., Ltd.	1,084,313.87	2,317,000.89
Accounts Payable	Shandong Hi-Speed Construction Materials Co., Ltd.		2,000,000.00
Accounts Payable	Shandong Hi-speed Architectural Design Co., Ltd.		14,000.00
Accounts Payable	Shandong Hi-Speed Road & Bridge Co., Ltd.	526,847.89	526,847.89
Accounts Payable	Shandong Hi-Speed Green Technology Development Co., Ltd.		7,052.58
Accounts Payable	Shandong Hi-Speed Qilu Construction Group Co., Ltd.	34,857,232.96	10,415,593.85
Accounts Payable	Shandong Hi-Speed Qingdao West Coast Port Co., Ltd.	185,461.00	9,013,592.55
Accounts Payable	Shandong Hi-Speed Petrochemical Co., Ltd.	65,969.01	65,969.01
Accounts Payable	Shandong Hi-Speed Materials Group Co., Ltd.		1,100,000.00
Accounts Payable	Shandong Hi-Speed New Material Technology Co., Ltd.	12,048,897.71	15,263,205.49
Accounts Payable	Shandong Hi-speed Information Engineering Co., Ltd.	158,795,984.07	76,113,338.92
Accounts Payable	Shandong Luqiao Construction Co., Ltd.		353,871.42
Accounts Payable	Shandong Hi-Speed Maintenance Group Co., Ltd.	159,780,630.38	77,412,442.72
Accounts Payable	Shandong High-Speed Bridge Construction Group Co., Ltd.	332,336,641.11	522,285,520.73
Accounts Payable	Shandong Provincial Traffic Engineering	2,052,281.80	1,291,440.84

	Supervision Consulting Co., Ltd.		
Accounts Payable	Shandong Luqiao Engineering Design Consulting Co., Ltd.	5,420,956.00	348,476.00
Accounts Payable	Shandong Luqiao Group Co., Ltd.	1,742,738,203.02	1,000,202,915.16
Accounts Payable	Shandong Sanyi Engineering Construction Supervision Co., Ltd	527,724.09	219,850.05
Accounts Payable	China Overseas Development (Shandong) Co., Ltd.		352,150.28
Accounts Payable	Shandong Provincial Communications Planning and Design Institute Group Co., Ltd.	56,314,600.23	2,499,000.00
Accounts Payable	Jining Hongxiang Highway Survey and Design Institute Co., Ltd.	6,640.00	
Accounts Payable	Longkou Port Group Railway Co., Ltd.	4,584,536.87	
Accounts Payable	Shandong Aobang Transportation Facilities Co., Ltd.	9,471,284.89	
Accounts Payable	Shandong Hi-Speed Changhe Development Co., Ltd.	72,146.33	
Accounts Payable	Shandong Hi-Speed Service Development Group Co., Ltd.	77,581.93	
Accounts Payable	Shandong Hi-Speed New Material Technology Co., Ltd.	158,470.20	
Accounts Payable	Shandong High-Speed Engineering Construction Group Co., Ltd.	3,047,276.57	
Accounts Payable	Shandong Hi-Speed Engineering Consulting Group Co., Ltd.	1,119,336.05	
Accounts Payable	Shandong Hi-Speed Honglin Engineering Technology Co., Ltd	10,055,002.68	
Accounts Payable	Shandong Hi-Speed Building Materials Group Co., Ltd.	896,640.36	
Accounts Payable	Shandong Hi-speed Environmental	74,238.51	

	Technology Co., Ltd.		
Accounts Payable	Shandong Hi-speed Green Ecology Development Co., Ltd.	5,059,361.74	
Accounts Payable	Shandong Hi-Speed Mining Co., Ltd.	2,696,542.67	
Accounts Payable	Shandong Hi-Speed New Material Technology Co., Ltd.	63,400.00	
Accounts Payable	Shandong Hi-Speed Green Ecology Development Co., Ltd.	614,032.40	
Accounts Payable	Shandong Hi-Speed Bioengineering Co., Ltd.	14,502.59	
Accounts Payable	Shandong Hi-Speed Xinlian Technology Co., Ltd.	2,880.59	
Accounts Payable	Shandong Hi-Speed Information Group Co., Ltd.	60,567,595.22	995,750.00
Accounts Payable	Shandong Binzhou Traffic Engineering Supervision Consulting Co., Ltd.	1,380,000.00	
Accounts Payable	Shandong Hi-Speed Information Engineering Co., Ltd.	2,934,476.7	
Accounts Payable	Shaanxi Shangao Yuhetian Construction Engineering Co., Ltd.	1,124,980.00	
Accounts Payable	Ji'nan Xinyue New Road Material Research and Development Co., Ltd.	22,521,986.07	9,356,269.60
Notes payable	Guangdong Jiayi Engineering Co., Ltd.	10,000,000.00	
Notes payable	Shandong Hi-Speed Building Materials Group Co., Ltd.	6,000,000.00	
Notes payable	Shandong Hi-Speed Materials Group Co., Ltd.	2,000,000.00	
Notes payable	Shandong Hi-speed Information Engineering Co., Ltd.	26,229,429.78	
Notes payable	Shandong High-Speed Bridge Construction Group Co., Ltd.	21,000,000.00	
Notes payable	Shandong Luqiao Group Co., Ltd.	75,171,335.80	
Deposit received	Jining Hongxiang		149,105.24

	Highway Survey and Design Institute Co., Ltd.		
Deposit received	Shandong Hi-Speed New Material Technology Co., Ltd.		536,728.92
Deposit received	Shandong Hi-speed Architectural Design Co., Ltd.		130,338.54
Deposit received	Shandong Hi-Speed Niluo Investment Development Co., Ltd.	680,396.92	1,058,146.37
Deposit received	Shandong Hi-Speed Xinlian Technology Co., Ltd.		871,401.04
Deposit received	Shandong Hi-speed Information Engineering Co., Ltd.	6,748,539.73	7,964,317.51
Deposit received	Shandong Hi-Speed Service Area Management Co., Ltd.		158,730.15
Deposit received	Shandong Hi-Speed Green Technology Development Co., Ltd.	235,955.69	
Deposit received	Shandong Hi-Speed Information Group Co., Ltd.	1,272,043.50	
Deposit received	Shandong Hi-Speed Maintenance Group Co., Ltd.	101,175.40	
Deposit received	Shaanxi Shangao Yuhetian Construction Engineering Co., Ltd.	118,285.71	
Deposit received	Weihai City Commercial Bank Co., Ltd.	62,335.05	
Long-term loan (Note)	Weihai City Commercial Bank Co., Ltd.		2,110,010,000.00
Non-current liabilities due within one year	Shandong Hi-Speed Group Co., Ltd.	5,086,601.73	4,975,567.32
Lease liabilities	Shandong Hi-Speed Group Co., Ltd.	71,735,163.64	74,061,765.40
Long-term payables	Shandong Hi-Speed Group Co., Ltd.	22,562,089.17	174,139,265.20

Note: long-term loans are entrusted loans accepted by the Company through Weihai Commercial Bank Co., Ltd.

7. Commitment of related parties

Applicable Not applicable

8. Others

Applicable Not applicable

XIII. Share based payment**1. General situation of share based payment**

Applicable Not applicable

Unit: Share Currency: CNY

Total amount of each equity instrument granted by the Company in the current period	4,463,700.00
Total amount of each equity instrument exercised by the Company in the current period	
Total amount of each equity instrument lapsed by the Company in the current period	
The range of exercise prices of stock options issued and outstanding by the Company at the end of the period and its remaining contractual term	The exercise price of 43.2 million copies of equity instruments issued by share-based payment is 3.96 yuan per copy, and the remaining contract period is 30 months; The exercise price of 4,663,700 copies is 6.64 yuan per copy, and the remaining contract period is 39 months.
The scope of the vesting price of other outstanding equity instruments issued by the Company at the end of the period and the residual period of contract	None

Other explanations

None

2. Equity-settled share-based payment

Applicable Not applicable

Unit: Yuan Currency: CNY

Method of determining the fair value of equity instruments at the date of grant	Black-Scholes model
Basis for determining the number of exercisable equity instruments	Best estimate based on the number of employees with viable rights, etc.
Reasons for significant differences between current period estimates and prior period estimates	None
Accumulated amount of equity-settled share-based payments charged to capital surplus	56,989,900.00
Total expense recognized for equity-settled share-based payments during the period	38,560,600.00

Other explanations:

None

3. Cash-settled share-based payments

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 committed matters**

Applicable Not applicable

2. Contingencies**(1) Important contingencies on the balance sheet date**

Applicable Not applicable

1. On December 23, 2019, the Intermediate People's Court of Henan Province ruled that Shandong Railway Transportation Group Co., Ltd. bears the liquidated damages and deferred interest on the value of the land for the expansion of the Xinkai Railway, and reduces creditor's rights and deferred interest payment of Xinmi Chaohua-Mazhen railway assets (2019Y01MC No. 1533). As of June 30, 2021, based on the judgment, an accrual total amount estimated liabilities of CNY 81,263,665.18 was formed, which mainly consisted of liquidated damages of CNY 68,632,151.00 and interest on liquidated damages of CNY 12,524,430.24.

In April 2021, the Higher People's Court of Henan Province restarted the trial process in accordance with the Supreme Court's judgment and made a final judgment on August 23, 2021. According to the Civil Judgment (2020) YM No. 226, the Civil Judgment (2019) Y01MC No. 1533 of the Intermediate People's Court of Zhengzhou, Henan Province was revoked, and Shandong High-speed Rail Transportation Group Co., Ltd. compensated Henan Zhongzhou Railway Holding Co., Ltd. 17 million yuan, bear the corresponding litigation costs. After Shandong Hi-speed Rail Transportation Group Co., Ltd. paid the above amount, the balance of estimated liabilities was CNY 64,263,665.18. According to relevant laws and regulations, Zhongzhou Holding Company has the right to file a retrial with the Supreme Court. As of the date of this report, it is still uncertain whether the Supreme Court will retry this case.

2. On November 20, 2020, Jinan Changying Jincheng Equity Investment Partnership (Limited Partnership) (the transferor, hereinafter referred to as "Changying Jincheng"), a subsidiary of the Company, entered into the Equity Transfer Agreement of Evergrande Real Estate Group Co., Ltd. with Shenzhen Talents Housing Group Co., Ltd. (the transferee, hereinafter referred to as "Housing Group") and Evergrande Real Estate Group Co. Ltd, transferring 1.1759% of the equity subscribed by Evergrande Real Estate Group Co., Ltd. with CNY 5 billion to the transferee in same amount. According to the Equity Interest Transfer Agreement, the transferee pledged the corresponding equity of Evergrande Real Estate Group to Changying Jincheng as a guarantee, and paid the transfer payment in three phases. From the date of the signing of the agreement to the actual payment date, the interest is paid at 3.85% of the 1-year loan market loan prime rate (LPR), and the deadline for equity transfer payment of the third phase is November 19, 2021. The Equity Interest Transfer Agreement also stipulates that if the transferee fails to make payment on time, it shall pay the transferor the liquidated damages for overdue payment, which is based on overdue account payable and calculated at twice the LPR from the overdue date to the actual payment date.

After the agreement came into effect, Changying Jincheng had transferred the target equity to Housing Group in accordance with the contract. The Housing Group had pledged the target equity to Changying Jincheng as agreed, and paid 3 billion yuan for the first two-phase equity transfer payment and interests. After paying the above money, Housing Group did not fulfill the follow-up payment obligations in accordance with the contract, and Changying Jincheng failed after pressing for payment for several times. Therefore, Changying Jincheng filed an arbitration to China International Economic and Trade Arbitration Commission (hereinafter referred to as "Trade Arbitration") in accordance with the agreement, requesting Housing Group to pay the third phase of equity transfer payment of 2 billion yuan and its interests and liquidated damages agreed in the "Equity Transfer Agreement". On February 23, 2022, the Trade Arbitration had accepted the case and notified the applicant and the respondent to designate arbitrators. As of this

reporting date, Trade Arbitration has not ruled on the case.

3. On April 8, 2021, Road Tunnel Group Engineering Co., Ltd. (hereinafter referred to as "Road Tunnel Group") and Subei Mongolian Autonomous County Kangrun Water Service Co., Ltd. (hereinafter referred to as "Subei Kangrun"), a subsidiary of the company, had a contract dispute in the construction project. Road Tunnel Group applied a lawsuit to the Intermediate People's Court of Jiuquan City, Gansu Province, requesting Subei Kangrun to pay the remaining price of 170 million yuan for the completed project and 10 million yuan for materials and equipment, the loss caused by the breach of contract to the Road Tunnel Group of 50 million yuan, totaling 230 million yuan. On May 24, 2021, Road Tunnel Group applied to the Intermediate People's Court of Jiuquan City, Gansu Province for property preservation to freeze Subei Kangrun's bank deposit of CNY 150,000,000.00 in Dunhuang Sub-branch of China Agricultural Development Bank, and the freezing period is May 26, 2021 to May 25, 2022. At the same time, in response to quality and other breach of contract issues, Subei Kangrun submitted a civil counterclaim to the Jiuquan Intermediate People's Court on June 8, 2021, requesting that Road Tunnel Group return the project payment and pay the liquidated damages for the project progress, totaling 263,230,200 yuan. As of the date of this report, the case is in the stage of the first instance and the court has not made a judgment.

4. As stated in "Note VI. 22. Goodwill", the Company acquired 51% equity of Yikang Technology in November 2021 and included it in the scope of combination. According to the performance commitment and compensation clauses in the equity investment agreement signed by the Company and the counterparty:

After the capital increase, the parties agreed that the performance commitment period was from January 1, 2021 to December 31, 2025. The original shareholders promised that the net profit of the target company in 2021, 2022, 2023, 2024 and 2025 would not be less than 340 million yuan, 380 million yuan, 410 million yuan, 440 million yuan and 490 million yuan respectively. The original shareholders promised to ensure the achievement of the performance commitment. If the net profit of Yikang Technology in the current year reaches 80% (including 80%) of the promised net profit in the current year, there is no need to compensate the previous year in the next year. When the performance commitment period expires and the corresponding audit report is issued, a one-time cash compensation will be made within 60 days; If the net profit of Yikang Technology in any year does not reach 80% of the promised net profit in that year, the original shareholders shall compensate the Company in cash within 60 days from the date of issuing the annual audit report of performance commitment. When the performance commitment expires, if Yikang Technology fails to complete the total performance commitment within the performance commitment period, the capital increase price needs to be adjusted, and the original shareholders need to make cash compensation to the Company in the form of preferential dividend.

The Company's performance can be judged according to its performance commitment. As of the date of this report, according to the audited financial statements of Yikang Technology in 2021, Yikang Technology can meet the performance commitment indicators of 2021.

Other than the above matters, the Company has no other contingent matters to disclose as of December 31, 2020.

(2) The Company shall give notes even there are no important contingencies to disclose:

Applicable Not applicable

3. Others

Applicable Not applicable

XV. Events after balance sheet date

1. Important non-adjusting matters

Applicable Not applicable

2. Profit distribution

Applicable Not applicable

Unit: Yuan Currency: CNY

Profit or dividend to be distributed	1,924,466,342.80
Profits or dividends declared to be distributed after deliberation and approval	

3. Sales return

Applicable Not applicable

4. Notes on other matters 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). Exchange of non monetary assets**

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

Applicable Not applicable

The Group determines operating segments according to internal organizational structure, management requirement and internal report system. The Group determines the report segment based on management subdepartment.

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

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 six 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 the reporting segment

√Applicable □Not applicable

Unit: Yuan; Currency: CNY

Item	Toll road and bridge business in Shandong	Toll road and bridge business in Henan	Toll road and bridge business in Hunan	Toll road and bridge business in Hubei	Toll road and bridge business in Sichuan	It is forbidden to slide when transporting by railway.	Engineering material manufacturing	Trading	Construction	Others	Inter segment offset	Total
Operating revenue	8,483,102.82 0.21	331,043.62 8.62	243,443.69 2.31	989,059.02 4.52	322,763.92 8.82	2,371,537.61 5.43	753,993.52 3.09	1,200,465.98 6.83	1,336,670.14 0.56	612,579.59 5.19	441,081.527. 61	16,203,578.42 7.97
Operating costs	3,979,025.87 0.42	139,724.22 9.66	161,979.58 4.42	336,523.28 3.68	175,390.29 9.61	1,942,329.62 0.39	508,843.15 5.25	1,122,650.75 2.27	972,077.379. 30	293,157.29 6.89	447,885.279. 77	9,183,816,192. 12
Interest incomes	174,050,119.83	2,011,741.43	507,799.15	1,323,994.56	28,534,768.47	71,902,952.38	1,259,798.67	12,156,987.93	807,765.10	24,103,673.41	231,873,367.22	84,786,233.71
Interest expense	1,460,475.26 8.66	54,976,932.68	205,025.88 6.64	189,308.73 3.58	161,220.38 3.67	42,201,786.85	10,902,790.93	101,044,445.77	12,473,451.51	14,357,677.3	229,907,676.28	2,022,079,681.36
Total profits	3,605,266.32 8.34	121,157,752.21	-134,318.34 9.63	429,942.41 1.67	47,116,510.00	409,223,838.06	126,121,050.23	806,694,542.47	274,213,614.67	-273,694,620.87	226,246,055.18	5,185,477,021.97
Total assets	88,153,032.5 39.62	2,686,130.1 02.59	4,089,158.6 66.80	8,245,837.2 52.35	6,057,948.6 74.14	12,027,322.5 92.49	1,435,333.4 87.14	19,310,187.0 32.51	14,639,718.9 18.82	4,495,826.2 25.20	35,234,333.33 6.03	125,906,162.1 55.63
Total liabilities	49,989,660.8 50.15	1,584,783.4 82.79	5,103,863.0 14.78	5,094,899.9 52.41	4,191,009.5 83.31	7,169,329.59 0.84	686,607.30 5.96	4,051,126.44 2.55	11,252,943.3 24.50	2,660,425.1 72.55	12,682,657.0 15.39	79,101,991.70 4.45
Complementary												
Depreciation	2,262,496.67 1.61	143,447,014.83	110,697.73 0.26	259,457.49 1.72	141,977.15 8.84	148,258,903.42	26,351,541.10	2,800,063.48	5,757,233.82	36.44 2,572.30	64,657,934.3 9	3,073,028,446.99

and amort izatio n cost												
Non cash expen ses other than depre ciatio n and amort izatio n												

(3). If the Company has no report segments, or cannot disclose the total assets and total liabilities of each report segment, the reasons shall be explained.

Applicable Not applicable

(4). Other notes

Applicable Not applicable

7. Other important transactions and matters having an impact on investors' decisions

Applicable Not applicable

(1) According to the Maximum Amount Pledge Contract with Jinan Longao Branch of Industrial and Commercial Bank of China Limited (formerly known as Jinan Shanda Road Branch of Industrial and Commercial Bank of China Limited) numbered 2010 Shanda Road Zhizi No. 0011 signed by the Company on July 27, 2010 and the Maximum Amount Pledge Contract signed with Jinan Longao Branch of Industrial and Commercial Bank of China Limited numbered 0160200031-2015 Shanda (Zhi) Zi No.37 on October 18, 2016, the Company takes the toll right of Jinan Laiwu Section of Jinghu Expressway (auxiliary line) as the pledge, and the main creditor's right period of the pledge is from July 27, 2010 to December 31, 2031 (including the starting date and expiration date of the period). During the period of this pledge, ICBC Jinan Long'ao Sub-branch provided the Company with a loan with a maximum balance of 2,776,624,000 yuan. As of December 31, 2021, the loan balance was 1,258,840,400 yuan (including: 157,772,700 yuan due within one year and 1,101,067,700 yuan due over one year).

(2) The Company signed the Maximum Amount Pledge Contract numbered 016020031-2018 Shanda (Zhi) Zi 0017 with Jinan Longao Branch of Industrial and Commercial Bank of China Limited (formerly known as Jinan Shanda Road Branch of Industrial and Commercial Bank of China Limited) on November 16, 2018. The Company took the Qingyin Expressway K166 + 351 to K106 + 351 as the pledge, and the main creditor's rights period of the pledge is from November 13, 2018 to December 31, 2038 (including the start date and expiration date of the period). During the period of this pledge, ICBC Jinan Long'ao Sub-branch provides the Company with a loan with a maximum balance of 5,000,000,000 yuan, and the balance of the loan as of December 31, 2021 is 2,697,297,300 yuan (including: 154,131,300 yuan due within one year and 2,543,166,000 yuan due over one year).

(3) As of December 31, 2021, the Company had a mortgage loan balance of CNY9,528,300,000 with China Development Bank Shandong Branch and Agricultural Bank of China Jinan Heping Sub-branch by pledging highway toll rights and all the proceeds there under of Jinan-Qingdao Expressway (Jiqing Expressway) after the completion of the Jinan-Qingdao Expressway Improvement and Expansion Project, as follows.

The CNY Loan Contract numbered 3710201701100000620 was signed with Shandong Branch of China Development Bank on December 15, 2017 with the toll collection right of Jiqing Expressway K246 + 351 to K166 + 351 sections as the pledge and with the loan balance of 4,528,300,000.00 Yuan as of December 31,

2021;

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 Jiqing Expressway k323 + 351-k322 + 237 sections as the pledge and the loan balance as of December 31, 2021 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 Jiqing Expressway k322 + 236 to k318 + 015 sections as the pledge, and the loan balance as of December 31, 2021 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 Jiqing Expressway k318 + 014 to k315 + 650 sections as the pledge and the loan balance as of December 31, 2021 was 140,000,000.00 Yuan.

The Company signed the Fixed Assets Loan Contract of Agricultural Bank of China Limited with numbers of 37010420180000047, 37010420180000050, 37010420180000113、37100201500082936-7, 37100201500082936-8、37100201500082936-9, 37100201500082936-10, 37100201500082936-11, and 37100201500082936-12 on January 26 of 2018, January 30 of 2018, February 12 of 2018, May 16 of 2018, June 26 of 2018, July 23 of 2018, September 5 of 2018, September 17 of 2018 and September 21, 2018 respectively with Heping Branch of Agricultural Bank of China Limited with the charging right of sections k323 + 351 to k247 + 351 of Qingyin Expressway as the pledge and the loan balance as of December 31, 2021 was 4,044,000,000.00 yuan.

Agricultural Bank of China Fixed Assets Loan Contract numbered 37100201500082936-14, was signed between the Company and ABC Jinan Heping Sub-Branch on October 23, 2020, pledged the highway toll rights of section K246+867 to K238+914 of Jiqing Expressway, with the loan balance as of December 31, 2021 of CNY 29,000,000.00.

Agricultural Bank of China Fixed Assets Loan Contract numbered 37100420210000541, dated January 29, 2021 signed between the Company and ABC Jinan Heping Sub-Branch, pledged the highway toll rights of section K246+867 to K238+914 of Jiqing Expressway, with the loan balance as of December 31, 2021 of CNY 471,000,000.00.

(4) According to the Guarantee Contract numbered 0160600217-2020 Zhaoyuan (B) No. 0001 signed by Shandong Dalailong Railway Co., Ltd. and Industrial and Commercial Bank of China Co., Ltd. Zhaoyuan Sub-branch on September 29, 2020, Zhaoyuan Sub-branch of Industrial and Commercial Bank of China Co., Ltd. provides a fixed asset financing loan to Shandong Dalailong Railway Co., Ltd., with Shandong Expressway Group Co., Ltd. as the third-party guarantor. As of December 31, 2021, the loan balance was 820 million yuan.

(5) According to the Loan Contract (Loans to Promote Domestic Opening-up - Fixed Assets with the contract numbered 2070015022019113771 signed by Shandong Dalailong Railway Co., Ltd. and the Export-Import Bank of China Shandong Branch on November 29, 2019, China Zhaoyuan Sub-branch of Industrial and Commercial Bank of China provides fixed asset financing loan to Shandong Dalailong Railway Co., Ltd., and took Shandong Hi-Speed Group Co., Ltd. as the third-party guarantor. The guarantor and the lender signed the Guarantee Contract numbered 20700150220191137718201. As of December 31, 2021, the loan balance was CNY 486,480,000 (including: CNY 27,040,000 due within one year and CNY 459,440,000 due over one year).

(6) On May 11, 2020, Shandong Hi-speed Lutie Industrial Development Co., Ltd. and China Minsheng Bank Co., Ltd. signed the Merger and Acquisition Loan Contract numbered ZH2000000051148, the loan amount is 63,000,000 yuan, and the loan period is from May 11, 2020 to November 11, 2026. The terms of the contract stated that Lutie Industrial provides mortgage guarantee to the lender with the No. DB2000000039705 Mortgage Contract, and the mortgaged property was Lutie Industrial's mining rights. As of December 31, 2021, the loan balance was 224,000,000 yuan (including: 42,000,000 yuan due within one year and 182,000,000 yuan due over one year).

(7) The Fixed Assets Loan Contract numbered 2021 XZ No. 11210101 between Shandong Hi-speed Transportation Equipment Co., Ltd. and China Merchants Bank Weifang Branch was signed on January 12, 2021 and the loan amount is 129,920,000 yuan, and the loan period starts from January 19, 2021 to April 18, 2028. The terms of the No. 2021 XZ No. 11210101 Maximum Mortgage Contract states that Shandong Hi-speed Transportation Equipment Co., Ltd. provides a mortgage guarantee to the lender, and the mortgaged property was real estate. As of December 31, 2021, the loan balance was CNY 65,598,900 (including: 10,228,100 yuan due within one year and 55,370,800 due over one year).

(8) According to the Fixed Assets Loan Contract numbered PSBC43-YYT2019062201 was signed by Hunan Hengshao Expressway Co., Ltd. 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 the CNY loan of the People's Bank of China with a term of more than five years applicable to the withdrawal date. The Maximum Pledge Contract numbered PSBC43-ZY2019062201 was signed with Changsha Branch of China Post Savings Bank Co., Ltd. with the charging right of Hengshao Expressway as the pledge on June 22, 2019. As of December 31, 2020, the loan balance was 1,684,000,000 yuan (including: CNY 70,500,000 yuan due within one year and 1,613,500,000 yuan due over one year).

(9) According to the Loan Contract numbered (430114001) NYJZ (2006) No. 005 signed by Hunan Hengshao Expressway Co., Ltd. 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. The Contract of Pledge of Maximum Amount of Rights numbered (430114001) with NYGZZ (2012) No. 8 was signed on December 13, 2012. As of December 31, 2021, the loan balance was 1,160,000,000 yuan (including: 10,000,000 yuan due within one year and 1,150,000,000 yuan due over one year).

(10) According to the mortgage contract for legal person numbered ZH1900000035734 signed between Shandong Expressway Hunan Development Co., Ltd. and China Minsheng Bank Co., Ltd. Changsha Branch on March 26, 2019, the contract amount is 246 million yuan, the loan term is from March 26, 2019 to March 26, 2029, and the borrowing interest rate is the benchmark loan interest rate for the same period announced by the People's Bank of China and applicable on the signing date of the contract. Attached is the mortgage list of the Company dated September 4, 2019 with the real estate of No.1 building 1 Huachuang International Plaza as the mortgage (Room 3601-6601, No. 109, Section 1, Furong Middle Road, Kaifu District, Changsha). As of December 31, 2021, the loan balance was 196,000,000 yuan (including: 2,300,000 yuan due within one year and 173,000,000 yuan due over one year).

(11) Jiyuan Jijin Expressway Co., Ltd. pledged the toll collection right of Jiyuan-Jincheng Expressway, respectively with Bank of China Zhengzhou Economic and Technological Development Zone Sub-branch (hereinafter referred to as "Zhengzhou Development Zone Branch of Bank of China"), China Merchants Bank Co., Ltd. Zhengzhou Branch (hereinafter referred to as "Zhengzhou Branch of China Merchants Bank") signed the loan contract and the pledge contract. As of December 31, 2021, the net value of the pledged toll rights is 1,611,705,100 yuan and the loan balance is 439,980,000 yuan (including: 46,020,000 yuan within one year and 393,960,000 yuan due over one year), as follows:

On January 22, 2021, the Fixed Assets Loan Contract numbered 2021 JKF7131 Zi 002 was signed with Zhengzhou Development Zone Branch of Bank of China, and the Account Supervision Agreement numbered 2021 JKF Jian Zi No. 001 and the Pledge Contract numbered JKF Zhizi No. 001 were signed; the balance of the loan is 179,980,000 yuan (including: 20,020,000 yuan due within one year and 159,960,000 yuan due over one year).

On August 30, 2021, the Fixed Assets Loan Contract numbered 371HT2021166430 with Zhengzhou Branch of China Merchants Bank, the Fixed Assets Loan Contract numbered 371HT2021166430 with Zhengzhou Branch China Merchants Bank, and the Pledge Contract numbered 371HT202116643001 and the Accounts Receivable Pledge Registration Agreement numbered 371HT202116643002 were signed; The balance of the loan is 260,000,000 yuan (including: 26,000,000 yuan due within one year and 234,000,000 yuan due within one year).

(12) According to the Fixed Asset Support Financing Loan Contract numbered 0160200016-2016 (Shizhong) No. 00002 signed between Hubei Wujing Expressway Development Co. Ltd. and Jinan Shizhong Branch of Industrial and Commercial Bank of China on January 4, 2016, Jinan Shizhong Branch of Industrial and Commercial Bank of China Limited 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 December 31, 2021, the net value of the pledged toll rights is 8,219,072,800 yuan and the loan balance is 4,133,395,000 yuan (including: 46,020,000 yuan within one year and 3,799,585,000 yuan due over one year), as follows:

(13) Luzhou Southeast Expressway Development Co., Ltd. pledged the toll collection rights of Luzhou-Chongqing Expressway (Hejiang-Yichuanjie-Naxi Section), respectively, and China Construction Bank Co., Ltd. Luzhou Branch (hereinafter referred to as "CCB Luzhou Branch"), China Import and Export Co., Ltd., Bank of China Co., Ltd. Luzhou Branch (host bank) and Bank of China Co., Ltd. Changshu

Sub-branch (participating bank) signed a loan contract and a pledge contract. As of December 31, 2021, the net value of the pledged toll rights is 1,161,715,100 yuan and the loan balance is 3,465,820,000 yuan (including: 97,760,000 yuan due within one year and 336,806.00 yuan due over one year), as follows:

The CNY Fund Loan Contract [2009] No. 04 was signed with CCB Luzhou Branch No. Lujian Bank Jiandai on October 16, 2009, and the Accounts Receivable (Right to Charge) Pledge Contract [2009] No. 01 was signed on March 30, 2020; the loan balance is 1,654,000,000 yuan (including: 22,000,000 yuan due within one year and 1,632,000,000 yuan due within one year).

The Loan Contract (International Logistics Infrastructure Construction Loan) [2020]No. 01 on September 27, 2012, and the Accounts Receivable (Right to Charge) Pledge Contract on March 30, 2020; the balance of the loan is 352,900,000 yuan (including: 24,800,000 yuan due within one year and 328,100,000 yuan over one year).

The Fixed Assets Loan Contract numbered 2010 JieZi No. 108 was signed with Bank of China Co., Ltd. Luzhou Branch (host bank) and Bank of China Co., Ltd. Changshu Sub-branch (participating bank) on June 26, 2010, and the Accounts Receivable (Charging Right) Pledge Contract numbered [2020] No. 01 was signed on March 30, 2020. was signed; the loan balance was 1,458,920,000 yuan (including: 50,960,000 yuan due within one year and 1,407,960,000 yuan over the year).

(14) The Accounts Receivable 003 Accounts Receivable (Toll Collection Right) Pledge Contract numbered 2020 Zhizi No. 2 was signed between China Construction Bank Co., Ltd. Jinan Zhenzhuquan Sub-branch on September 2, 2020. Qilu Expressway Co., Ltd. used the toll collection right of the Liaocheng to Fanxian section of Deshang Expressway as the pledge, and the main creditor's rights period guaranteed by the pledge is from December 21, 2011 to December 11, 2026 (including the start date and expiry date during the period). During this pledge period, China Construction Bank Co., Ltd. Jinan Zhenzhuquan Sub-branch provides the Company with a loan with a maximum balance of 1,668,470,000 yuan. As of December 31, 2021, the loan balance was 1,143,980,000 yuan (including: 249,510,000 yuan due in one year and 894,470,000 yuan due over one year).

(15) According to the Pledge Contract numbered 2020 (Qinglong) Zi numbered 00506-3 signed by Dayi Kangrun Water Service Co., Ltd. (hereinafter referred to as the Company) and Industrial and Commercial Bank of China Co., Ltd. Chengdu Qinglong Sub-branch on April 22, 2020, the Company uses the franchise income right of the industrial sewage and reclaimed water construction project in Dayi as the pledge, and the period of the main creditor's rights guaranteed by the pledge is from April 29, 2020 to April 28, 2035 (15 years from the first withdrawal date). During the period of this pledge, ICBC Jinan Long'ao Sub-branch provides the Company with a loan with a maximum balance of 2,776,624,000 yuan. As of December 31, 2021, the loan balance was 260,336,000 yuan (including: 17,486,500 yuan due within one year and 242,849,500 yuan due over one year).

(16) According to the Pledge Contract for Maximum Accounts Receivable numbered HTC210665000YSZK20190002 signed by Dadonggang Kangrun Environmental Management Co., Ltd. (hereinafter referred to as the Company) and China Construction Bank Corporation Donggang Branch on January 31, 2019, the Company used the accounts receivable under the PPP project contract of the Donggang City Urban Inland River Comprehensive Treatment Project as the pledge, and the main creditor's rights period guaranteed by the pledge is from January 31, 2019 to January 30, 2036. During the period of this pledge, ICBC Jinan Long'ao Sub-branch provides the Company with a loan with a maximum balance of 1,273,758,100 yuan. As of June 30, 2021, the balance of loan was 970,300,000 yuan (including: 35,200,000 yuan due within one year and 935,100,000 yuan due over one year).

(17) According to the Right Pledge Contract numbered 34122501-2019 Funan (Zhi) Zi 0006 signed by Funan Kangrun Water Service Co., Ltd. (hereinafter referred to as the Company) and Funan County branch of Agricultural Development Bank of China on August 23, 2019, the Company takes the feasibility gap subsidy and government payment under the PPP project of Funan County sewage treatment project < PPP contract > as the pledge. The pledge period of principal creditor's rights guaranteed by the pledge is from August 23, 2019 to August 22, 2039. During the pledge period, the Funan County Branch of the Agricultural Development Bank of China provides the Company with a total loan of 750,000,000 yuan. As of December 31, 2021, the balance of the loan was 579,100,000 yuan (including: 31,800,000 yuan due within one year and 547,300,000 yuan due within one year).

(18) According to the Pledge Contract of Accounts Receivable (charging right) numbered HTC610930000YSZK202100003 signed by Xi'an Gaoling Kangrun Environmental Protection Engineering Co., Ltd. (hereinafter referred to as the Company) and Xi'an Economic and Technological Development Zone Branch of China Construction Bank Co., Ltd. on August 23, 2019, the Company takes the charging

right of kitchen waste treatment service fee under the franchise agreement of Xi'an Gaoling kitchen waste harmless treatment franchise project as the pledge, and the pledge period of principal creditor's right guaranteed is from February 1, 2021 to January 31, 2036. During this pledge period, CCBC Xi'an Economic and Technological Development Zone Branch provides the Company with a total loan of 200,000,000 yuan. As of December 31, 2021, the loan balance was 51,996,900 yuan (including 3,000,000 yuan due within one year and 48,996,900 yuan due over one year).

(19) According to the Pledge Contract for Accounts Receivable numbered PSBC37-YYT2020011601-01 signed by Laizhou Lairun Sewage Treatment Co., Ltd. (hereinafter referred to as the Company) and Laizhou Branch of China Postal Savings Bank Co., Ltd. on January 17, 2020, the Company takes all the rights and interests legally enjoyed by the PPP project contract of Laizhou No. 2 sewage treatment plant project and its supplementary agreement as a pledge, and the pledge period of principal creditor's right guaranteed is from January 17, 2020 to January 16, 2040 (20 years from the date of first withdrawal). During this pledge period, Laizhou branch of China Postal Savings Bank Co., Ltd. provides a total loan of 200 million yuan to the Company. As of December 31, 2021, the loan balance was 158,201,000 yuan (including 8,765,800 yuan due within one year and 149,435,200 yuan due over one year).

(20) According to the Pledge Contract of China Development Bank numbered Z2141120006 (pledge contract of loan numbered 4112202100000212) signed by Lushan Kangrun Environmental Governance Co., Ltd. (hereinafter referred to as the Company) and Henan Branch of China Development Bank on April 13, 2021, the Company takes all the rights and interests and benefits under the PPP agreement contract of Lushan Shahe ecological restoration and upgrading (phase I) project (including but not limited to the subsidy funds and other funds allocated by Lushan County Water Conservancy Bureau) as the pledge, and the principal creditor's rights guaranteed by the pledge are from April 16, 2021 to April 15, 2037. During the pledge period, the Henan Branch of the China Development Bank provides the Company with a total loan of 250,000,000 yuan. As of December 31, 2021, the loan balance is 250 million yuan (including 200 million yuan due within one year and 250 million yuan due over one year).

(21) According to the Maximum Right Pledge Contract numbered 34100720210000013 signed by Mengcheng Kangrun Anjian Water Service Co., Ltd. (hereinafter referred to as the Company) and Mengcheng County sub-branch of Agricultural Bank of China on January 21, 2021, the Company takes the expected income under the PPP project contract of Mengcheng County water environment comprehensive treatment project as the pledge, and the principal creditor's rights guaranteed by the pledge is from January 21, 2021 to January 20, 2038. During the pledge period, Agricultural Bank of China Limited Mengcheng County sub branch and China CITIC Bank Co., Ltd. Hefei Branch provides the Company with a maximum loan of 1234 million yuan (including Agricultural Bank of China Limited Mengcheng County sub branch of 934 million yuan and China CITIC Bank Co., Ltd. Hefei Branch of 300 million yuan). As of December 31, 2021, the loan balance was 210 million yuan (Mengcheng County branch of Agricultural Bank of China).

(22) According to the Right Pledge Contract numbered 62210301-2020 Dunhuang (pledge) Zi 0001 signed between Kangrun Water Service Co., Ltd. of Subei Mongolian Autonomous County (hereinafter referred to as the Company) and Dunhuang branch of Agricultural Development Bank of China on March 10, 2020, the Company takes the accounts receivable under the PPP project contract of water supply project in Mazhongshan Town, Subei Mongolian Autonomous County, Gansu Province as the pledge, and the principal creditor's rights guaranteed by the pledge is from March 10, 2020 to March 9, 2035. During this pledge period, Dunhuang branch of Agricultural Development Bank of China provides the company with a total loan of 776 million yuan. As of December 31, 2021, the loan balance was 776 million yuan (including: 50 million yuan due within one year and 726 million yuan due over one year).

(23) According to the Pledge Contract (generally applicable to legal persons) numbered 0231000020-2021 Pengxi (pledge) Zi No. 0001 signed by Suining Pengxi Kangrun Environmental Treatment Co., Ltd. (hereinafter referred to as the Company) and Pengxi sub-branch of Industrial and Commercial Bank of China on May 25, 2021, the Company takes the franchise income right of PPP project of Suining Jinqiao new area urban sewage treatment plant as the pledge, and the period of principal creditor's rights guaranteed by pledge is from June 4, 2021 to January 3, 2035 (163 months from the date of first withdrawal). During this pledge period, Pengxi branch of industrial and Commercial Bank of China Limited provides the Company with a total loan of 57 million yuan. As of December 31, 2021, the loan balance was 36,881,300 yuan (including 1,316,000 yuan due within one year and 35,565,300 yuan due over one year).

(24) According to the Right Pledge Contract numbered 42011201-2020 Yingdong (Zhi) Zi No. 0001 signed by Wuhan Runyuan Sewage Treatment Co., Ltd. (hereinafter referred to as the Company) and Wuhan Dongxihu District branch of Agricultural Development Bank of China on January 20, 2020, the Company takes the accounts receivable under the integrated PPP project contract for township domestic sewage

treatment in Huangpi District as the pledge, and the period of principal creditor's rights guaranteed by pledge is from January 20, 2020 to January 19, 2040. During this pledge period, Wuhan Dongxihu District branch of Agricultural Development Bank of China provides a total loan of 552 million yuan to the Company. As of December 31, 2021, the loan balance was 453,940,000 yuan (including 17,010,000 yuan due within one year and 436,930,000 yuan due over one year).

(25) According to the Pledge Contract for Accounts Receivable numbered HTC370678600YSZK202100012 signed by Weifang Sihai Kangrun Investment Operation Co., Ltd. (hereinafter referred to as the Company) and Weifang Binhai sub branch of China Construction Bank Co., Ltd. on May 11, 2021, the Company takes the accounts receivable formed by all income and income rights under the PPP Project Contract for the Comprehensive Upgrading Project in the Central Urban Area of Weifang Binhai Economic And Technological Development Zone, the PPP Project Supplementary Agreement for the Comprehensive Upgrading Project in the Central Urban Area of Weifang Binhai Economic And Technological Development Zone, and the PPP Project Supplementary Agreement II for the Comprehensive Upgrading Project in the Central Urban Area of Weifang Binhai Economic And Technological Development Zone as the pledge, and the period of principal creditor's rights guaranteed by pledge is from March 22, 2021 to June 21, 2035. During this pledge period, Weifang Binhai sub-branch of China Construction Bank Co., Ltd. provides the Company with a total loan of 200 million yuan. As of December 31, 2021, the loan balance is 200 million yuan (including 1 million yuan due within one year and 199 million yuan due over one year).

(26) According to the Pledge Contract of Maximum Amount 329 / 345 of Accounts Receivable (No. 2019-130) signed by Weifang Sihai Kangrun Investment Operation Co., Ltd. (hereinafter referred to as the Company) and Weifang branch of Industrial Bank Co., Ltd. on June 26, 2019, the Company takes the accounts receivable formed by all the proceeds and usufruct under the PPP project contract of the central urban area comprehensive upgrading project of Weifang Binhai Economic and Technological Development Zone as the pledge, and the main creditor's right guaranteed by the pledge is from June 26, 2019 to June 25, 2035. During this pledge period, Weifang branch of Industrial Bank Co., Ltd. provides the Company with a maximum loan of 2849.55 million yuan. As of December 31, 2021, the loan balance was 619,155,900 yuan.

(27) According to the Pledge Contract for Accounts Receivable (No. Jian Shan Tong Zhi Qi (2021) 002) signed by Tongchuan Kangrun Honghui Environmental Governance Co., Ltd. (hereinafter referred to as the Company) and Tongchuan branch of China Construction Bank Co., Ltd. on March 25, 2021, the Company takes 20.71% of the accounts receivable of the project income (including sewage treatment service fee, garbage collection and transportation service fee and feasibility gap subsidy) agreed in the PPP project for ecological protection and restoration project of F Mountains, Forests, Fields, Lakes, Rivers and its surrounding areas in Yintai District, Tongchuan City, as the pledge, and the main creditor's right period guaranteed by the pledge is from March 25, 2021 to March 24, 2035. During this pledge period, Tongchuan branch of China Construction Bank Co., Ltd. provides the Company with a total loan of 26,503,900 yuan. As of December 31, 2021, the loan balance was 7,692,500 yuan (including 303,900 yuan due within one year and 7,388,600 yuan due over one year).

(28) According to the Pledge Contract for Accounts Receivable (No. Jian Shan Tong Zhi Qi (2021) 003) signed by Tongchuan Kangrun Honghui Environmental Governance Co., Ltd. (hereinafter referred to as the Company) and Tongchuan branch of China Construction Bank Co., Ltd. on March 25, 2021, the Company takes 8.52% of the accounts receivable of the project income (including sewage treatment service fee, garbage collection and transportation service fee and feasibility gap subsidy) agreed in the PPP project for ecological protection and restoration project of F Mountains, Forests, Fields, Lakes, Rivers and its surrounding areas in Yintai District, Tongchuan City, as the pledge, and the main creditor's right period guaranteed by the pledge is from March 25, 2021 to March 24, 2035. During this pledge period, Tongchuan branch of China Construction Bank Co., Ltd. provides the Company with a total loan of 10,902,300 yuan. As of December 31, 2021, the loan balance was 5,567,400 yuan (including 192,300 yuan due within one year and 5,375,100 yuan due over one year).

(29) According to the Pledge Contract for Accounts Receivable (No. Jian Shan Tong Zhi Qi (2021) 005) signed by Tongchuan Kangrun Honghui Environmental Governance Co., Ltd. (hereinafter referred to as the Company) and Tongchuan branch of China Construction Bank Co., Ltd. on March 25, 2021, the Company takes 33.93% of the accounts receivable of the project income (including sewage treatment service fee, garbage collection and transportation service fee and feasibility gap subsidy) agreed in the PPP project for ecological protection and restoration project of F Mountains, Forests, Fields, Lakes, Rivers and its surrounding areas in Yintai District, Tongchuan City, as the pledge, and the main creditor's right period guaranteed by the pledge is from March 25, 2021 to March 24, 2035. During this pledge period, Tongchuan

branch of China Construction Bank Co., Ltd. provides the Company with a total loan of 43,437,200 yuan. As of December 31, 2021, the loan balance was 2,566,500 yuan (including 537,200 yuan due within one year and 2,029,300 yuan due over one year).

(30) According to the Pledge Contract for Accounts Receivable (No. Jian Shan Tong Zhi Qi (2021) 006) signed by Tongchuan Kangrun Honghui Environmental Governance Co., Ltd. (hereinafter referred to as the Company) and Tongchuan branch of China Construction Bank Co., Ltd. on March 25, 2021, the Company takes 10.94% of the accounts receivable of the project income (including sewage treatment service fee, garbage collection and transportation service fee and feasibility gap subsidy) agreed in the PPP project for ecological protection and restoration project of F Mountains, Forests, Fields, Lakes, Rivers and its surrounding areas in Yintai District, Tongchuan City, as the pledge, and the main creditor's right period guaranteed by the pledge is from March 25, 2021 to March 24, 2035. During this pledge period, Tongchuan branch of China Construction Bank Co., Ltd. provides the Company with a total loan of 14,008,800 yuan. As of December 31, 2021, the loan balance was 8,670,300 yuan (including 208,800 yuan due within one year and 8,461,500 yuan due over one year).

(31) According to the Pledge Contract for Accounts Receivable (No. Jian Shan Tong Zhi Qi (2021) 004) signed by Tongchuan Kangrun Honghui Environmental Governance Co., Ltd. (hereinafter referred to as the Company) and Tongchuan branch of China Construction Bank Co., Ltd. on March 25, 2021, the Company takes 25.90% of the accounts receivable of the project income (including sewage treatment service fee, garbage collection and transportation service fee and feasibility gap subsidy) agreed in the PPP Project for Ecological Protection and Restoration Project of F Mountains, Forests, Fields, Lakes, Rivers And Its Surrounding areas in Yintai District, Tongchuan City, as the pledge, and the main creditor's right period guaranteed by the pledge is from March 25, 2021 to March 24, 2035. During this pledge period, Tongchuan branch of China Construction Bank Co., Ltd. provides the Company with a total loan of 33,147,800 yuan. As of December 31, 2021, the loan balance was 5,503,300 yuan (including 747,800 yuan due within one year and 4,755,500 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

Provision for bad debts accrued on an individual basis:

Applicable Not applicable

Provision for bad debts accrued on a portfolio basis:

Applicable Not applicable

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

Applicable Not applicable

(3). Situation of bad-debt provision

Applicable Not applicable

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

Applicable Not applicable

(4). Accounts receivable written off in the current period

Applicable Not applicable

The written-off situation of important accounts receivable:

Applicable Not applicable

(5). Top five accounts receivable of ending balance collected by debtors

Applicable Not applicable

(6). Receivables derecognized due to transfer of financial assets

Applicable Not applicable

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

2. Other receivables**List of items**

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance	Beginning balance
Interests receivable		
Dividends receivable	77,707,931.78	75,037,985.75
Other receivables	5,422,667,785.53	6,144,530,054.07
Total	5,500,375,717.31	6,219,568,039.82

Other explanations:

Applicable Not applicable

Interests receivable**(1) Classification of interest receivable**

Applicable Not applicable

(2) Significant overdue interest

Applicable Not applicable

(3). Provision for bad debts

Applicable Not applicable

Other explanations:

Applicable Not applicable

Dividends receivable**(4). Dividends receivable**√Applicable Not applicable

Unit: Yuan Currency: CNY

Project (or investee unit)	Ending balance	Beginning balance
Jinan Changying Transportation Infrastructure Investment Fund Partnership (Limited Partnership)	75,037,985.75	75,037,985.75
Shandong Hi-Speed Industrial Development Co., Ltd.	2,273,034.71	
Bohai Trust*2021 Jinsui B Expressway Share Collective Fund Trust Plan	396,911.32	
Total	77,707,931.78	75,037,985.75

(5). Important dividends receivable with account age over one year√Applicable Not applicable

Unit: Yuan Currency: CNY

Project (or investee unit)	Ending balance	Account receivable age	Reasons for failure to collect	With or without impairment and basis of determination
Jinan Changying transportation infrastructure investment fund partnership (Limited Partnership)	75,037,985.75	1 to 2 years	Dividends receivable for reinvestment	No
Total	75,037,985.75	/	/	/

(6). Accrual of bad debt reserves Applicable Not applicable

Other explanations:

 Applicable Not applicable**Other receivables****(1). Disclosure by account receivable age.**√Applicable Not applicable

Unit: Yuan; Currency: CNY

Account receivable age	Ending book balance
Within 1 year	
Including: sub items within 1 year	
Sub-total within 1 year	5,305,251,967.61
1 ~ 2 years	23,535,069.75
2 to 3 years	29,100,396.55

3 to 4 years	70,779,360.06
4 to 5 years	41,400.00
Over 5 years	1,097,608.97
Total	5,429,805,802.94

(2) Classification according to the nature of payments

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Nature of payment	Ending book balance	Beginning Book Balance
Advances from subsidiaries	5,212,643,967.74	6,004,824,421.05
Toll split	89,750,051.04	35,587,573.15
Others	127,411,784.16	110,025,719.04
Total	5,429,805,802.94	6,150,437,713.24

(3). Provision for bad debts

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Bad debt provision	Phase I	Stage 2	Stage 3	Total
	Expected credit loss in the next 12 months	Expected credit losses for the entire duration (no credit impairment occurs)	Expected credit losses for the entire duration (credit impairment has occurred)	
January 1, 2021 Balance	5,873,976.67		33,682.50	5,907,659.17
January 1, 2021 Amount in current period	—	—	—	—
--Transferred to Phase II				
--Transferred to Phase III				
--Reversed to Phase II				
--Reversed to Phase I				
Accrual in the period	1,230,358.24			1,230,358.24
Amount reversed in current period				
Amount resold in current period				
Cancellations in the period				
Other changes				
Balance in December 31, 2021	7,104,334.91		33,682.50	7,138,017.41

Description of 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 amount of bad debt provision in the current period and the assessment of whether the credit risk of financial instruments has increased significantly:

Applicable Not applicable

(4). Provision for bad debts

Applicable Not applicable

Unit: Yuan Currency: CNY

Category	Beginning balance	Current change amount				Ending balance
		Accrual	Recovery or reversal	Resell or write off	Other changes	
Bad debts of other receivables	5,907,659.17	1,230,358.24				7,138,017.41
Total	5,907,659.17	1,230,358.24				7,138,017.41

In which, the amount of provision for bad debt reversed or recovered in the current period is significant:

Applicable Not applicable

(5). Other receivables written off in the current period

Applicable Not applicable

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

Applicable Not applicable

Unit: Yuan Currency: CNY

Unit Name	Nature of receivables	Ending balance	Account receivable age	Proportion in total ending balance of other receivables (%)	Ending balance of bad debt reserves
Shandong Hi-Speed Investment Development Co., Ltd.	Capital and interest	2,533,234,285.07	1-10 years	46.65	
Hunan Hengshao Expressway Co., Ltd.	Capital and interest	2,173,743,582.42	1-9 years	40.03%	
Shandong Hi-Speed (Shenzhen) Investment Co., Ltd.	Capital and interest	375,877,500.00	1-4 years	6.92	
Shandong Hi-Speed Hunan Development Co., Ltd.	Capital and interest	99,357,783.31	1-3 years	1.83	
JTT.SHANDONG.GOV. CN	Toll split	89,750,051.04	Within 1 year	1.65	
Total		5,271,963,201.84		97.08	

(7). Receivables related to government subsidies

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other explanations:

Applicable Not applicable

3. Long-term equity investment

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Ending balance			Beginning balance		
	Book Balance	Impairment reserves	Book value	Book Balance	Impairment reserves	Book value
Investments to subsidiaries	20,623,688,104.88		20,623,688,104.88	14,552,751,366.00		14,552,751,366.00
Investment in joint ventures and associated enterprises	8,285,820,225.38		8,285,820,225.38	7,645,571,356.62		7,645,571,356.62
Total	28,909,508,330.26		28,909,508,330.26	22,198,322,722.62		22,198,322,722.62

(1) Investments to subsidiaries

√Applicable □Not applicable

Unit: Yuan Currency: CNY

Investee	Beginning balance	Increase in the current period	Decrease in the current period	Ending balance	Impairment provision for the current period	Ending balance of provision for impairment
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		6,000,000.00	13,000,000.00		
Shandong Lijin Huanghe Highway and Bridge Co., Ltd.	77,597,944.28			77,597,944.28		
Shandong Hi-Speed Henan Development Co., Ltd.	483,038,056.20			483,038,056.20		
Hunan Hengshao Expressway Co., Ltd.	455,000,000.00			455,000,000.00		
Shandong Hi-Speed Hunan Development Co., Ltd.	200,000,000.00			200,000,000.00		
Shandong Hi-Speed Qilu Construction Transport Administration Service Co., Ltd.	500,000,000.00			500,000,000.00		
Jinan Changying Jincheng Equity Investment Partnership (Limited Partnership)	3,500,000,000.00			3,500,000,000.00		
Jinan Changying Jinhai Investment Partnership (Limited Partnership)	2,114,029,430.00	799,000,000.00		2,913,029,430.00		
Hubei Wujing Expressway Development Co., Ltd.	1,481,824,942.90			1,481,824,942.90		
Luzhou Southeast Expressway Development Co., Ltd.		1,448,839,447.96		1,448,839,447.96		
Shandong Hi-Speed Renhe Development Co., Ltd.		6,000,000.00	6,000,000.00			
Shandong Hi-Speed Changying Equity Investment		158,782,629.45		158,782,629.45		

Management Co., Ltd.					
Qilu Expressway Co., Ltd.		1,270,420,268.19		1,270,420,268.19	
ECON Technology Co., Ltd		2,099,894,393.28		2,099,894,393.28	
Bohai Trust*2021 Jinsui B Expressway Share Collective Fund Trust Plan		300,000,000.00		300,000,000.00	
Total	14,552,751,366.00	6,082,936,738.88	12,000,000.00	20,623,688,104.88	

(2) Investments to associated enterprises and joint ventures

√Applicable □Not applicable

Unit: Yuan; Currency: CNY

Investee	Beginning balance	Increase or decrease in the current period								Ending balance	Ending balance of provision for impairment
		Additional Investment	Decreased Investment	Profit and Losses on Investment Recognized by Equity Method	Adjustment of Other Comprehensive Incomes	Other Equity Changes	Declaration and distribution of cash dividends or profits	Accrual of provision for impairment	Others		
I. Joint venture											
Shandong Hi-Speed Changying Equity Investment Management Co., Ltd.	52,638,996.07			-948,406.61		25,142,040.00				-76,832,629.46	
Subtotal	52,638,996.07			-948,406.61		25,142,040.00				-76,832,629.46	
II. Associated enterprises											
Qingdao Changying Jinpeng Equity	270,959,648.31	165,000,000.00		22,561,076.75			21,660,424.54			436,860,300.52	

Investment Partnership (Limited Partnership)											
Weihai City Commercial Bank Co., Ltd.	2,678,349,858.39			182,902,746.94	22,646,154.74	36,474,504.27	69,395,798.70			2,850,977,465.64	
Shandong High-speed Logistics Group Co., Ltd.	710,448,432.75			25,798,361.56		7,580,306.11				743,827,100.42	
Shandong High-Speed Engineering Project Management Co., Ltd.	74,228,187.82			12,434,459.53						86,662,647.35	
Shandong Hi-speed Property Service Development Group Co., Ltd.		12,935,300.00								12,935,300.00	
Shandong Hi-Speed Green Ecology Development Co., Ltd.	20,054,579.34			1,057,318.07		1,033,213.31				22,145,110.72	
Dongxing Securities Company, Ltd.	2,404,565,188.31			59,101,526.42	1,489,240.06	148,395,109.83				2,613,551,064.62	
FULONGMA Group Co., Ltd.	436,311,458.62			20,211,239.36			7,849,501.54			448,673,196.44	

Shandong Environmental Protection Industry Co., Ltd.	9,186,228.08		15,000,000.00	-1,233,752.87					7,047,524.79		
Shandong Hi-speed Zhongtong New Energy Conversion Industry Investment Fund Partnership (Limited Partnership)	34,500,000.00			-342,003.28						34,157,996.72	
CSIC EIT (Shandong) City Operation Service Co., Ltd	9,800,000.00			-1,959,593.16						7,840,406.84	
Jinan Changying Transportation Infrastructure Investment Fund Partnership	833,176,307.37			108,086,573.74						941,262,881.11	
Shandong New Energy Shandong Hi-speed Chengtai Venture Capital	20,305,753.42			-301,528.81						20,004,224.61	

Fund Partnership (Limited Partnership)											
Shandong General Aviation Service Co., Ltd	91,046,718.15		9,517,760.89	-14,606,426.87						66,922,530.39	
Subtotal	7,592,932,360.56	177,935,300.00	24,517,760.89	413,709,997.38	24,135,394.80	193,483,133.52	98,905,724.78	0.00	7,047,524.79	8,285,820,225.38	
Total	7,645,571,356.62	177,935,300.00	24,517,760.89	412,761,590.77	24,135,394.80	218,625,173.52	98,905,724.78		-69,785,104.67	8,285,820,225.38	

Other explanations: None.

4. Operating revenue and operating cost**(1) Revenues and costs of revenues**√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period		Amount incurred in the previous period	
	Income	Cost	Income	Cost
Main business	6,636,104,682.95	3,477,095,401.11	5,394,830,592.81	3,120,847,666.36
Other business	85,155,665.77	9,235,161.33	38,714,949.38	5,673,870.04
Total	6,721,260,348.72	3,486,330,562.44	5,433,545,542.19	3,126,521,536.40

(2) Situation of incomes from contracts√Applicable Not applicable

Unit: Yuan Currency: CNY

Contract classification	Current operating income	Current operating cost
Main business	6,636,104,682.95	3,477,095,401.11
Including: Toll revenue of Shandong Province	6,042,535,296.21	2,919,322,861.60
Revenue from expressway trusteeship	593,569,386.74	557,772,539.51
Other business	85,155,665.77	9,235,161.33
Including: Rental income	62,172,293.73	3,753,860.04
Others	22,983,372.04	5,481,301.29
Total	6,721,260,348.72	3,486,330,562.44

Description of income generated by the Contract:

 Applicable Not applicable**(3). Notes on performance obligations** Applicable Not applicable**(4) Notes on apportion to remaining performance obligations** Applicable Not applicable

Other explanations:

None

5. Income from investment√Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount incurred in the current period	Amount incurred in the previous period
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Income from long-term equity investment based on cost method	49,748,394.86	1,264,186,640.42
Long-term equity investment income calculated by the equity method	412,761,590.77	407,748,201.80
Investment income from disposal of long-term equity	15,802,162.80	8,228,862.59
Investment income of trading financial assets during the holding period		
Dividend income from other equity instrument investment during holding period		
Interest income of debt investment during the holding period	103,833,587.90	209,446,263.65
Interest income from other debt investment during holding period		
Investment income from disposal of trading financial assets		
Investment income from disposal of other equity instrument investments		
Investment income from disposal of debt investments		
Investment income from disposal of other debt investment		
Income from debt restructuring		
Total	582,145,736.33	1,889,609,968.46

Other explanations:

None

6. Others

Applicable Not applicable

XVIII. Supplementary information

1. Current non-recurring profit and loss statement

Applicable Not applicable

Unit: Yuan Currency: CNY

Item	Amount	Note
Gains from disposal of non-current assets	-16,990,727.00	Mainly from disposal of fixed assets
Tax return or reduction approved beyond authority or without formal approval documents		
Government subsidies included in the current profit and loss (closely related to the business of the enterprise, except the government subsidies entitled according to the	90,117,048.53	Mainly for construction compensation and various incentive grants

unified national standard quota or quantitative)		
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.		
Gain from non-monetary assets exchange		
Gain from entrusted assets investment or management		
Mutiple 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		
Current net profit and loss of subsidiaries arising from business combination under common control from the beginning of the period to the combination date	724,944,893.28	For merging Qilu Expressway
Profit or loss arising from the contingencies irrelevant to normal business operation of the Company		
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		
Gain 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 the 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	48,226,311.05	Mainly from highway property compensation and gains
Other profit or loss items in line with definition of non-recurring profit or loss		
Subtotal	846,297,525.86	
Minus: affected amount of income tax	27,383,939.84	
Affected amount of minority shareholders' equity	455,353,173.23	
Total	363,560,412.79	

Reasons for the non-recurring profits and losses that are defined according to the definition in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Securities to the Public - Non-recurring Profits and Losses and the non-recurring profits and losses listed in the above-mentioned announcement that are defined as the recurring profits and losses by the Company shall be explained.

Applicable Not applicable

2. Return on equity and earnings per share

Applicable Not applicable

Profit in the reporting period	Weighted average return on equity (%)	Earnings per share:	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to shareholders of the parent company	9.87	0.597	0.596
Net profit attributable to common shareholders after deducting non recurring profit and loss	8.77	0.522	0.520

3. Accounting data differences under domestic and foreign accounting standards

Applicable Not applicable

4. Others

Applicable Not applicable

Chairman: Sai Zhiyi

Date of approval by the Board of Directors: March 29, 2022

Revision information

Applicable Not applicable