



Shandong Airlines Co., Ltd.

Summary of Semi-Annual Report 2020

I. Important Notice

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

Prompt of non-standard audit opinion

Applicable Not applicable

There is no plan of cash bonus, dividend distribution and capitalizing of common reserves carried out by the Company.

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

Applicable Not applicable

II. Basic information of the company

1. Company profile

Short form of the stock	Shanhang-B	Stock code	200152
Stock exchange for listing	Shenzhen Stock Exchange		
Person/Way to contact	Secretary of the Board		Rep. of security affairs
Name	Dong Qiantang	Fan Peng	
Office add.	1/F, Tiangong Office Building, North of Red-crowed cranes Hotel, Yaoqiang International Airlines, Licheng District, Jinan, Shandong	3/F, Tiangong Office Building, North of Red-crowed cranes Hotel, Yaoqiang International Airlines, Licheng District, Jinan, Shandong	
Tel.	0531-82085939	0531-82085586	
E-mail	dongqt@sda.cn	fanp@sda.cn	

2. Main financial data and indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current Period	Same period of last year	Increase/decrease over same period of last year
Operating revenue (RMB)	4,190,649,796.09	8,989,068,400.72	-53.38%
Net profit attributable to shareholders of	-1,296,010,573.90	-27,364,005.41	-4,636.19%



the listed company (RMB)			
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	-1,336,518,968.35	-66,030,703.80	-1,924.09%
Net cash flow arising from operating activities (RMB)	-1,897,748,778.43	544,076,655.68	-448.80%
Basic earnings per share (RMB/Share)	-3.24	-0.07	-4,636.19%
Diluted earnings per share (RMB/Share)	-3.24	-0.07	-4,636.19%
Weighted average ROE	-29.45%	-0.61%	28.84 percentage points decrease
	End of current Period	End of period of last year	Increase/decrease over same period-end of last year
Total assets (RMB)	18,263,760,588.49	17,392,935,986.48	5.01%
Net assets attributable to shareholder of listed company (RMB)	3,601,561,727.06	5,173,519,005.57	-30.38%

3. Number of shares and share-holding

In Share

Total common stock shareholders in reporting period-end	14,316	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0			
Particulars about shares held by top ten shareholders						
Shareholders	Nature of shareholder	Proportion of shares held	Total shares hold	Number of uncirculated shares	Pledge or frozen	
					Status	Numbers
Shandong Aviation Group	State-owned legal person	42.00%	168,004,000	168,004,000		
Air China Limited	State-owned legal person	22.80%	91,200,000	91,200,000		
NORGES BANK	Foreign legal person	0.87%	3,498,479	0		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.84%	3,375,395	0		
WANXIANG INTERNATIONAL INVESTMENT CORPORATION	Foreign legal person	0.66%	2,658,100	0		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.54%	2,170,317	0		
ISHARES CORE MSCI EMERGING MARKETS ETF	Foreign legal person	0.45%	1,816,418	0		
Hou Chunhu	Domestic nature person	0.45%	1,796,145	0		
Chen Jingjian	Domestic nature person	0.40%	1,595,200	0		



Wang Jingqing	Domestic nature person	0.33%	1,319,553	0	
Explanation on related relationship or concerted action among the above mentioned shareholders		<p>1. Shandong Aviation Group(SDA) is the first largest shareholder of the Company, who holds the shares of the Company on behalf of the State with unlisted shares;</p> <p>2. Air China Limited is the second largest shareholder of the Company, who holds the shares of the Company on behalf of the State with unlisted shares;</p> <p>3. Among the above top ten shareholders, Air China Limited is the first largest shareholder of the SDA, and there exists no associated relationship between SDA and Air China and the other shareholders, and they don't belong to the consistent actionist regulated by the Management Regulation of Information Disclosure on Change of Shareholding for Listed Companies with the other shareholders.</p>			

4. Changes of controlling shareholders or actual controller

Controlling shareholders had no change in reporting period.

Actual controller had no change in reporting period.

5. Total preferred shareholders and top 10 shares held by preferred shareholders

The Company has no preferred shareholders

6. Corporate bond

The Company did not has a corporation bonds that issuance publicly and listed on stock exchange and without due on the date when semi-annual report approved for released or fail to cash in full on due

No

III. Discussion and analysis of operation

1. Operation status in the period

In the first half of 2020, in the face of a series of difficulties and challenges brought about by the novel coronavirus pneumonia epidemic, the company responded quickly and proactively, coordinated and make great efforts to the epidemic prevention and control, safe production and operational benefits, and achieved positive results.

1. The epidemic prevention and control situation was stable, reflecting the corporate responsibility. There was no spread of the epidemic caused by the company's flights; nor confirmed or asymptomatic cases of infection by the company's internal personnel. A total of 36 missions for epidemic prevention and control and transportation of charter flights were carried out, 18 flights were used to transport personnel and materials on the regular shift, and 3,578 medical personnel and 144,498 kilograms of prevention and control materials were transported.

2. Safety position is generally stable. In the first half of the year, a total of 128,300 hours and 61,300 sorties were secured, down 39.99% and 38.75% respectively on a y-o-y basis.

3. Maintain a high level of operational quality. The main business of transportation totally organized and ensured the passenger flights of 61,026 flights, the flight punctuality rate was 93.93%, and an increase of 9.08% on a year-on-year basis, ranks No. 1 in the major airlines in Civil Aviation.

4. The benefit situation is unprecedentedly severe. Achieved 4.19 billion yuan in operation revenue with 53.38% down on a y-o-y



basis; net profit amounted as -1.30 billion yuan with 1.27 billion yuan declined on a y-o-y basis; we completed a RTK of 977 million TK, and passenger traffic volume came to 6,566,300 person-time, cargo and mail transport volume reached 69,800 tons, a decrease of 44.75%, 47.02% and 18.62% on a y-o-y basis respectively; the passenger load factor (PLF) comes to 71.42%, a 12.58 percentage points down a y-o-y basis; freight rate goes to 52.51%, a 14.77 percentage points up on a y-o-y basis.

2. Matters relevant to financial report

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

On 5 July 2017, the Accounting Standards for Business Enterprise No.14- Revenue (Cai Kuai [2017] No.22) was revised and issued by the Ministry of Finance, and requires the enterprises listed domestically implement the New Revenue Standard since 1 Jan. 2020. The “Proposal on Change of the Accounting Policy” was deliberated and approved by the 3rd session of 7th BOD held on 26 March 2020, and agreed to implemented the New Revenue Standard from 1 Jan. 2020. Found more on the “Notice on Change of the Accounting Policy” released on Juchao Website dated 28 March 2020.

In order to estimate the depreciation of fixed assets more reasonable and fairly reflect the financial status and operation results of the Company, on 28 April 2020, the Company hold the 4th (extraordinary) meeting of 7th BOD to deliberated and approved the “Proposal on Change of the Accounting Estimation”, and agreed to implemented the New Accounting Estimation from 1 Jan. 2020. that is the depreciation method of engine replacement parts is adjusted from average life method to the workload method; the depreciation period of high-priced revolving parts is adjusted from original 15-18 years to 3-15 years. Found more on the “Notice on Change of the Accounting Estimation” released on Juchao Website dated 29 April 2020.

(2) Particulars about retroactive restatement on major correction for accounting errors in reporting period

The company had no particulars about retroactive restatement on major correction for accounting errors in the reporting period.

(3) Particulars about the change of consolidation range compared with the accounting period of last year

No changes of consolidation range occurred in the period.

Shandong Airlines Co., Ltd.

Legal representative: Sun Xiujiang

29 August 2020