

Stock Code: 200152

Notice No.: 2022-12

Short Form of Stock: Shanhang-B

Shandong Airlines Co., Ltd.

Summary of Annual Report 2021

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.

All directors have attended the Board Meeting for Report Deliberation.

Prompt of non-standard audit opinion

Applicable Not applicable

Profit distribution pre-plan of common stock or capitalizing of common reserves pre-plan deliberated by the Board in the reporting period

Applicable Not applicable

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either.

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	
Fax.	0531-85698034	0531-85698034	
Tel.	0531-82085939	0531-82085586	
E-mail	dongqt@sda.cn	fanp@sda.cn	

2. Main business or product introduction in the reporting period

The Company is mainly engaged in international and domestic air passenger and cargo transportation business; hotel catering; aircraft maintenance; civil aviation personnel training; insurance agency; airline agency business; ground services related to main business; sales of aviation materials, general merchandise, food, health foods, handicrafts, souvenirs, etc., and retail sales of tobacco; leasing of aviation materials; leasing of premises, rental of houses; business services; hotel accommodation agents and ticket agents; conference services; transport agency services, air cargo storage; and labor services. Among them, international and domestic air passenger and cargo transportation business is the Company's main business.

For more than 20 years, the Company consistently giving first priority to “ensure safety, pay close attention to efficiency, and strive to punctuality and quality service” and to established the industry position with a deep foundation. By the end of 2021, the Company owns 134 Boeing B737 series aircraft, ranking among the larger airlines. Currently, the Company bases its headquarters in Jinan and has branch offices and flight bases in Qingdao, Yantai, Xiamen, Chongqing, Beijing, Urumqi and Guiyang. The Company operates more than 200 domestic, and opens routes to the surrounding countries as South Korea, Japan, Thailand, India and Cambodia as well as the region of Taiwan China and Hong Kong China.

In 2021, the epidemic continues to spread international-wide, travel demand for passengers is sluggish. In front of the difficult challenges such as epidemic prevention and controls, operation losses and safety pressure, as a strategic industry in economic development, the country’s civil aviation industry adheres to seeking a progress in a stable manner and shows a strong resilience in adversity. The Company make full use of the advantages with its own in aspect of security control ability, cost control capability and team execution ability, persist in strategic thinking orientation, and mobilize all kinds of resources to prevent risks, improve quality and increase the efficiency, production and operation remain stable.

3. Main accounting data and financial indexes

(1) Main accounting data and financial indexes for recently three years

Whether the Company needs to retroactively adjust or restate the accounting data of previous years

Yes No

Unit: million yuan

	Year-end of 2021	Year-end of 2020	Changes at end of the current year compared with the end of previous year (+,-)	Year-end of 2019
Total assets	32,643.58	22,403.51	45.71%	17,392.94
Net assets attributable to shareholder of listed company	-917.66	2,570.26	-135.70%	5,173.52
	2021	2020	Changes in the current year over the previous year (+,-)	2019
Operating income	12,515.32	10,534.4	18.80%	18,990.42

Net profit attributable to shareholders of the listed company	-1,813.71	-2,382.02	23.86%	361.01
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-1,998.27	-2,491.14	19.79%	203.11
Net cash flow arising from operating activities	1,557.32	-1,699.73	191.62%	2,629.81
Basic earnings per share (RMB/Share)	-4.53	-5.96	23.99%	0.90
Diluted earnings per share (RMB/Share)	-4.53	-5.96	23.99%	0.90
Weighted average ROE	-9,352.93%	-61.31%	9,291.62 percentage points down	7.22%

(2) Quarterly main financial index

Unit: million yuan

	Q 1	Q 2	Q 3	Q 4
Operating income	2,496.1	4,139.45	3,559.15	2,320.62
Net profit attributable to shareholders of the listed company	-835.09	39.89	-337.87	-680.63
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-862.63	-19.85	-391.04	-724.75
Net cash flow arising from operating activities	-12.86	881.48	435.21	253.49

Whether there are significant differences between the above-mentioned financial index or its total number and the relevant financial index disclosed in the company's quarterly report and semi-annual report

Yes No

4. Share capital and shareholders

(1) Number of common shareholders and preferred shareholders whose voting rights have been restored and top 10 shareholder's holding

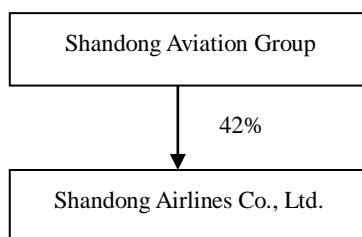
							In Share
Total common shareholders at end of the Period	13,032	Total common shareholders as of the end of the month preceding the date of annual report disclosed	12,743	Total preferred shareholders whose voting rights were restored at end of the Period	0	Total preferred shareholders whose voting rights were restored at end of the month prior to the date of annual report disclosed	0
Top ten shareholders							
Full name of Shareholders	Nature of	Proporti	Amount of	Amount of non	Information of shares		

	shareholder	on of shares held	shares held	tradable shares held	pledged, tagged or frozen	
					State of share	Amount
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		
WANXIANG INTERNATIONAL INVESTMENT CORPORATION	Foreign legal person	0.66%	2,658,100	0		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.58%	2,312,677	0		
Yang Ming	Domestic nature person	0.51%	2,020,421	0		
Hou Chunhu	Domestic nature person	0.45%	1,796,145	0		
Chen Jingjian	Domestic nature person	0.40%	1,595,200	0		
Wang Jinjun	Domestic nature person	0.37%	1,484,600	0		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.36%	1,442,841	0		
Wang Hui	Domestic nature person	0.30%	1,187,700	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; there is no relationship between SDA, Air China and other shareholders, and they are not the parties acting in concert.</p>					
Explanation on shareholders involving margin business (if applicable)	N/A					

(2) Total preferred shareholders of the Company and top 10 preferred shareholders' shareholding

The Company had no preferred shareholder holdings during the reporting period

(3) Ownership and control relationship between the Company and actual controller in form of a block diagram



5. Bonds in existence as of the approval date of the annual report

√ Applicable □ Not applicable

(1) Basic information of bond

Bond name	Bond abbreviation	Bond code	Issuing date	Due date	Bond balance (10 thousand yuan)	Interest rate
Shandong Airlines Co., Ltd. 2020 first phase of medium-term notes	20 Shandong Airlines MTN001	102000814	April 24, 2020	April 24, 2023	102,051.47	2.99%
Interest payment and redemption of the bonds during the reporting period	Found more in the Notice on 2020 Interest Payment (phase I) of MTN for year of 2021 (Notice No.: 2021-12) released on Juchao Website					

(2) Latest tracking ratings and rating changes of bonds

As a local airline company with strong comprehensive competitive strength in China, the company has a certain competitive advantage in the eastern coastal and surrounding international areas with Shandong province as the core, and has obtained favorable external support. During the tracking period, China Lianhe Credit Rating Co., Ltd. noticed that the Company’s credit level was adversely affected by the impact of epidemic, operation losses, decline of owners’ equity and debt burden, etc. With the gradual control of the pandemic and the promotion of vaccines, the company's business situation is expected to improve. In conclusion, after tracking analysis and evaluation of the credit status of the Company and its related bonds, downgraded the long-term credit rating of the main body from AAA to AA, and the credit rating of “20MTN001” from AAA to AA with stable outlook.

(3) The company’s main accounting data and financial indicators for the past two years as of the end of the reporting period

Unit: 10 thousand yuan

Item	2021	2020	Increase or decrease in the current year over the previous

			year
Debt-to-asset ratio	102.81%	88.53%	14.28 percentage points up
Net profit after deducting non-recurring gains and losses	-199,826.76	-249,114.3	19.79%
EBITDA total debt ratio	6.98%	-18.21%	25.19 percentage points up
Interest coverage multiple	-1.93	-12.63	84.75%

III. Important matters

As the audited ending net assets of the Company for year of 2021 are negative, pursuant to the article 9.3.1 (1) (b) of the Rules Governing the Listing of Stock on Shenzhen Stock Exchange (Revised in 2022), stock trading of the Company will be subject to “Delisting Risk Warning”, the investors are advised to notice the risks in investment.

Shandong Airlines Co., Ltd
 Legal representative: Sun Xiujiang
 March 31, 2022