



中國民航信息網絡股份有限公司 TravelSky Technology Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code : 00696)

2025
INTERIM REPORT



CONTENTS

Business Review for the First Half of 2025	2
Management Discussion and Analysis of Financial Condition and Results of Operations	6
Prospects for the Second Half of 2025	16
Other Information	17
Consolidated Statement of Financial Position	25
Statement of Financial Position of the Parent Company	29
Consolidated Statement of Profit or Loss and Other Comprehensive Income	33
Statement of Profit or Loss and Other Comprehensive Income of the Parent Company	36
Consolidated Statement of Cash Flows	38
Statement of Cash Flows of the Parent Company	41
Consolidated Statement of Changes in Shareholders' Equity	43
Statement of Changes in Shareholders' Equity of the Parent Company	45
Notes to Financial Statements for the six months ended June 30, 2025	47
Corporate Information	209

BUSINESS REVIEW FOR THE FIRST HALF OF 2025

The board of directors (the “**Board**”) of TravelSky Technology Limited (the “**Company**”) hereby presents the unaudited interim report of the Company and its subsidiaries (the “**Group**”) for the six months ended June 30, 2025.

In the first half of 2025, the global economic growth slowed, while China’s economy maintained steady growth. The tourism market continued to thrive, and the scale of transportation in the civil aviation market recorded a new high in history, with scale of domestic and international air passenger traffic surpassing the level of the same period in 2019. As the dominant provider of information technology solutions for China’s aviation and travel industry, the Group grasped the opportunities in the industry, and through continuously enhancing safety support, improving technological innovation capabilities, stabilizing business operations, and invigorating corporate reforms. Certain progress has been made in the main business sectors including aviation information technology services, accounting, settlement and clearing services, distribution of information technology services, airport information technology services, and other information technology services.

In the first half of 2025, the Group’s system processing capacity of the electronic travel distribution (“**ETD**”) system (including inventory control system (“**ICS**”) services and computer reservation system (“**CRS**”) services) on domestic and overseas airlines was approximately 370.7 million passengers, representing an increase of approximately 5.3% over the same period in 2024. Among them, the system processing capacity on airlines in China increased by approximately 5.5% year-on-year; the system processing capacity on foreign and regional airlines decreased by approximately 7.8% year-on-year. The number of foreign and regional commercial airlines using the Group’s airport passenger processing system (“**APP**”) services, multi-host connecting program services and self-developed Angel Cue platform connecting services increased to 213, with approximately 5.616 million departure passengers processed in 64 airports. The Commonly Used Self-service Check-in System (“**CUSS**”) independently developed by the Group pursuant to the International Air Transport Association (“**IATA**”) standards was used in 240 major domestic and overseas airports, and the online check-in service was applied to 360 domestic and overseas airports. Such products, together with the mobile check-in products and the newly developed SMS check-in products, processed a total of approximately 239.6 million departure passengers.

In the first half of 2025, the Group steadily advanced the upgrade and transformation of retail solutions for commercial airlines. The Travel Retail Platform (“**TRP**”) for airlines supported the customer-centred business model of commercial airlines, having signed contracts with a cumulative total of 19 clients, and explored the application of AI technologies in retail platforms. As a corporate data middle platform, Data Plus (“**ADA**”), as a data integration platform solution, provided airlines with services that integrated data security access, integration mining, and application scenario support into one. It has been deployed for 29 airlines, including Hainan Airlines, Xiamen Airlines, and Shenzhen Airlines. Agreements were entered into in relation to the Airlines Total Operation Management System (“**ATOMS**”) with six airlines, while implementation at 50 key stations were completed, driving the digital transformation of airline operations.

BUSINESS REVIEW FOR THE FIRST HALF OF 2025

In the first half of 2025, the Group was dedicated to consolidating and expanding the new market of the accounting, settlement and clearing services, with a strong focus on the application of new technologies. The third-generation passenger transportation revenue management platform that complies with the technical standards of IATA New Distribution Capabilities (“NDC”) and ONE ORDER has been continuously optimized, while being put into operation for airlines such as Kunming Airlines, Donghai Airlines, and Tibet Airlines, supporting new business operation such as real-time settlement and order settlement. The International Passenger Revenue Accounting (“IPRA”) system deepened integration with the System Applications and Products (“SAP”) ecosystem, reinforcing its dominant position in settlement systems. We also advanced the design and iterative development of a unified industry clearing platform in an orderly manner, successfully connecting 11 airlines and adding cross-border RMB settlement functionality. In the first half of 2025, there were approximately 628.4 million transactions processed with the Group’s accounting, settlement and clearing system, representing a year-on-year increase of 3.7%. The amount of agency settlement for passengers, cargo and mail transport, miscellaneous fees, and international and domestic clearing fees exceeded RMB35.61 billion, representing a year-on-year increase of 20.0%.

In the first half of 2025, the Group further enhanced its distribution capabilities, solidified distribution channels, continuously optimized the business system, actively expanded into overseas markets, and strengthened the integration capabilities for tourism resources. We continued to expand service markets, with direct links and high-level networking to all Global Distribution Systems (“GDSs”) around the world and 137 foreign and regional commercial airlines, covering over 400 domestic and overseas cities. The distribution network has reached 29 overseas countries and regions. We strengthened NDC capabilities, signing NDC agreements with three additional airlines. Efforts to develop overseas markets included broadening overseas channels and expanding authorization for foreign airlines. We also promoted the paperless reimbursement ecosystem for e-tickets, completed the implementation of e-tickets for all market agents and actively advanced corporate ticket usage.

In the first half of 2025, as a comprehensive smart airport solution provider, the Group actively participated in the construction of smart airports. We contributed to the successful launch of projects such as Lanzhou Airport T3 terminal and Xi’an Airport T5 terminal, while also signing and executing projects like the departure system upgrades for Hohhot Airport and the West Terminal Area of Beijing Capital International Airport. Tailoring comprehensive smart airport solutions for diverse clients, including large, medium and small airports, we continued to explore ways to empower airport smart transformation through technology and drive regional economic development through innovative services. **In terms of smart airport products**, we have continued to deepen airport informatization. Our smart middleware platform was successfully awarded projects such as Hohhot Airport, bringing its total adoption to 13 airports. The international transfer function has been deployed at Shenzhen, Qingdao, and Guangzhou airports. The new-generation departure front-end system (“DGUI”) was implemented and put into operation in 15 additional airports in the first half of the year. The facial recognition-based smart travel platform has been rolled out to 45 airports, while the RFID-based end-to-end luggage tracking system has been extended to over 70 airports. Building on the luggage tracking system of Xinjiang Airport Group users, an additional 21 regional branch airports in Xinjiang were connected to the luggage tracking system. **Regarding front-end airport systems**, our APP-based departure control system dominates the domestic mid- to large-sized airport market. It also supports 182 overseas or regional airports in assisting commercial airlines with passenger check-in, transfers, and interline services, processing approximately 24 million departing passengers, accounting for about 96.63% of the overseas return passenger volume handled by Chinese commercial airlines.

BUSINESS REVIEW FOR THE FIRST HALF OF 2025

In the first half of 2025, the Group seized firmly the opportunities in the construction of digital China to promote the deep integration of the digital economy and the real economy. **In public information technology services**, we were devoted to the development in the field of digital infrastructure construction and expanded cross-industry data center value-added service business. We signed new contracts for the data center server room project of the Information Center, Civil Aviation Administration of China and the development service project of Flight Inspection Center of CAAC. We focused on developing standardized data governance solutions for external deployment, securing projects from China Forestry Group Corporation* (中國林業集團有限公司) and Sinopharm Digital Technology (Beijing) Co., Ltd., among others. **In aviation cargo and logistics information technology services**, we promoted and upgraded products such as cargo terminal production systems and cargo security inspection systems, signing four new clients, including Shandong Yantai Airport. We successfully completed and launched the digital cargo terminal platform project for Air China Cargo Co., Ltd., covering six stations across five locations. **In exploring innovative business scenarios**, we developed the civil aviation blockchain platform "Air Travel Chain" and related products, securing 18 new clients. Our digital Renminbi payment application was implemented across multiple aviation scenarios, leading to a new trend of integration between digital Renminbi and civil aviation e-commerce. The airport luggage omnidirectional forklift intelligent robot completed the first set of intelligent robot research and development and production, and was successfully implemented and put into operation at Qingdao Airport, the inaugural user.

In the first half of 2025, as the "central nervous system" for the healthy operation of China's civil aviation industry, the Group actively fulfilled its social responsibilities by comprehensively enhancing the stability of core systems, intelligent operations and maintenance, and security capabilities. **On one hand**, we ensured the stable operation of mainframe systems and major open platform systems, achieving an availability rate exceeding 99.99%. We successfully safeguarded the secure operation of civil aviation passenger information systems during critical periods, including the Spring Festival travel rush, the Asian Winter Games, the Two Sessions (i.e., the National People's Congress and the Chinese People's Political Consultative Conference), and the May Day holiday. **On the other hand**, we strengthened resource support by expanding data center capacity and adding new leased server modules, laying a solid foundation for the Company's sustained high-speed development. Significant progress was made in network infrastructure, with the successful completion of a 5G/SD-WAN-based cross-border network test for departure operations of domestic airlines at Macau Airport, verifying technical feasibility and providing critical network access support for overseas business expansion and security enhancement. Additionally, we advanced the self-service transformation, significantly reducing traditional phone inquiries year-over-year. The TravelSky Online Service Platform ("TOSP") continued to be optimized and updated, further enhancing users' self-service capabilities.

BUSINESS REVIEW FOR THE FIRST HALF OF 2025

In the first half of 2025, the Group spearheaded independent innovation in critical technologies, supported by major scientific projects and innovation platforms, steadily advancing in technological self-reliance and driving industrial innovation through scientific breakthroughs. **We focused on fostering strategic emerging industries**, leading research and application of AI technologies in civil aviation, and actively expanding into the low-altitude economy sector. The Low-Altitude Economy Business Collaboration Platform secured its first user, Shanghai New Sky Helicopter Co., Ltd., while the manned-unmanned aerial vehicle (“UAV”) cooperative system was successfully deployed. **Actively undertaking national scientific missions**, the Group secured one key project under the National Natural Science Foundation of China (“NSFC”)-Civil Aviation Joint Research Fund, won three scientific awards at various levels, and obtained 40 patents, including 25 invention patents. For the 19th consecutive year, we were recognized as a National Key Software Enterprise. **Dedicated to building green practice benchmarks**, the Group connected the Houshayu Park rooftop photovoltaic project to the grid, marking its first renewable energy utilization breakthrough in Beijing. Additionally, the “Green and Intelligent Data Center Operation Practice” was included in the National Development and Reform Commission’s List of Energy-Saving Technologies and Practices to be Recommended for International ‘Top Ten’ Recognition (《中國擬推薦參與國際「雙十佳」評選的節能技術和節能實踐清單》).

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FIRST HALF OF 2025

Summary

The management's discussion and analysis on the financial conditions and results of operations of the Group are as follows:

For the first half of 2025, the Group achieved total profits of RMB1,677.9 million, representing an increase of approximately 4.5% compared to RMB1,605.7 million in the first half of 2024. Net profit attributable to shareholders of the parent of the Company was RMB1,447.7 million, representing an increase of approximately 5.9% compared to RMB1,367.2 million in the first half of 2024.

As stated in the announcement of the Company dated August 8, 2025, the profit of the Group achieves year-on-year growth, mainly attributable to stable year-on-year growth in aviation information technology service revenue and further improvement in the collection situation of the Company.

The revenue and operating results of the Group mainly came from the Group's operations in China. The earnings per share of the Group were RMB0.49 for the first half of 2025.

Total Revenue

The total revenue of the Group in the first half of 2025 amounted to RMB3,894.5 million, representing a decrease of RMB147.3 million, or 3.6%, from RMB4,041.8 million in the first half of 2024. The decrease in total revenue is reflected as follows:

- Aviation information technology service revenue represented 59.4% of the Group's total revenue in the first half of 2025, as compared to 56.0% in the first half of 2024. Aviation information technology service revenue increased by 2.1% from RMB2,265.0 million in the first half of 2024 to RMB2,313.4 million in the first half of 2025. The main sources of the revenue were ICS, CRS and APP provided by the Group to commercial airlines, as well as extended information technology services related to the above core businesses. The increase in revenue was primarily due to the 5.3% year-on-year increase of total system processing capacity, whereas foreign and regional airline processing capacity decreased slightly year-on-year.
- Accounting, settlement and clearing services revenue accounted for 8.0% of the Group's total revenue in the first half of 2025, as compared to 6.9% in the first half of 2024. Accounting, settlement and clearing services revenue increased by 12.4% from RMB278.0 million in the first half of 2024 to RMB312.5 million in the first half of 2025. The main sources of the revenue were accounting, settlement and clearing services provided by the Group to third parties including commercial airlines, airports, agencies and government bodies, etc. The increase in revenue was primarily due to the year-on-year increase in accounting, settlement and clearing business volume.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FIRST HALF OF 2025 (CONTINUED)**Total Revenue (Continued)**

- System integration service revenue accounted for 10.7% of the Group's total revenue in the first half of 2025, as compared to 16.8% in the first half of 2024. System integration service revenue decreased by 38.5% from RMB679.8 million in the first half of 2024 to RMB418.4 million in the first half of 2025. The main sources of the revenue were hardware integration, software integration and data and information integration services provided by the Group to airports, commercial airlines and other institutional clients. The decrease in revenue was primarily due to the impact of project construction progress.
- Data network revenue accounted for 4.9% of the Group's total revenue in the first half of 2025, as compared to 5.4% in the first half of 2024. Data network revenue decreased by 12.4% from RMB216.4 million in the first half of 2024 to RMB189.5 million in the first half of 2025. The main source of the revenue was distribution information technology services provided by the Group to agencies. The decrease in revenue was mainly due to the fluctuations in the usage volume of some users in the same period of the previous year, resulted in slightly higher revenue base for the same period last year.
- Technical support and product revenue accounted for 9.9% of the Group's total revenue in the first half of 2025, as compared to 7.3% in the first half of 2024. Technical support and product revenue increased by 30.4% from RMB295.3 million in the first half of 2024 to RMB385.0 million in the first half of 2025. This revenue was derived from the products and technical services provided by the Group to airlines, airports, agents and non-industry customers. The increase of the revenue was mainly due to the increase in customers' IT service demand and product expansion.
- Other revenue accounted for 7.1% of the Group's total revenue in the first half of 2025, as compared to 7.6% in the first half of 2024. Other revenue decreased by 10.2% from RMB307.2 million in the first half of 2024 to RMB275.7 million in the first half of 2025. The sources of the revenue were payment services, machine room tenancy, data services, logistics business and other services provided by the Group. The decrease in revenue was mainly due to the year-on-year decrease in payment service revenue as a result of the decrease in online payment transaction volume.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FIRST HALF OF 2025 (CONTINUED)**Total Operating Expenses**

Total operating expenses in the first half of 2025 amounted to RMB2,427.9 million, representing a decrease of RMB107.4 million or 4.2% as compared to RMB2,535.3 million in the first half of 2024. The changes in total operating expenses are also reflected as follows:

- Staff costs increased by 3.2%, mainly due to the year-on-year increase in employee salaries of the Group and “5 Insurances and 2 Pensions (五險二金)”;
- Depreciation and amortisation decreased by 17.6%, mainly due to the completion of depreciation and amortisation of certain fixed assets and intangible assets of the Group;
- Cost of integrated business sales decreased by 52.1%, mainly due to progress of the system integrated project construction;
- Technical support and maintenance fees decreased by 0.2%, mainly due to the commencement and implementation progress of certain research and development projects; and
- Departure and distribution support fees increased by 1.3%, mainly due to the combined impact of the increase in business volume related to departure service guarantee fees, foreign airline booking rewards for agents, and their corresponding progress of reconciliation confirmation.

Credit Impairment Losses

The credit impairment losses in the first half of 2025 amounted to RMB-176.5 million, mainly due to the decrease in the balance of provision for bad debts of accounts receivable compared to the end of 2024 as a result of further improvements in the repayment situation of certain customers.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FIRST HALF OF 2025 (CONTINUED)****Corporate Income Tax**

Under the Corporate Income Tax Law of the People's Republic of China ("**CIT Law**"), in general, the applicable income tax rate of enterprises in China is 25%. Pursuant to relevant requirements, enterprises recognized as "High and New Technology Enterprise" are entitled to a preferential corporate income tax rate of 15% according to the CIT Law. The Company was approved and certified by relevant authorities as a "High and New Technology Enterprise" since its establishment and was reviewed to maintain its qualification as a "High and New Technology Enterprise" in accordance with relevant regulatory requirements. The latest review was completed in November 2023 and the Company maintained its qualification as a "High and New Technology Enterprise" and was confirmed to be entitled to a preferential corporate income tax rate of 15% from Year 2023 to Year 2025 as a "High and New Technology Enterprise". Therefore, the Company has calculated the expenses on corporate income tax for the first half of 2025 using the preferential tax rate of 15%.

In addition to the entitlement to a preferential income tax rate of 15% as a "High and New Technology Enterprise", if an enterprise is certified by relevant regulatory authorities as a "Key Software Enterprise", it can further enjoy a preferential tax rate of 10%. According to the relevant provisions, the difference between the tax amount paid at the rate of 15% and the tax amount calculated at the preferential corporate income tax rate of 10% will be refunded to relevant enterprises after the relevant period, and will be reflected in the profit or loss account of the enterprises when it is refunded. The Company has been consecutively certified as a "Key Software Enterprise" from Year 2006 to Year 2024.

For details of the corporate income tax of the Group for the first half of 2025, please refer to Note 4 to the financial statements.

Net Profit Attributable to Shareholders of the Parent of the Company

Net profit attributable to shareholders of the parent of the Company increased from RMB1,367.2 million in the first half of 2024 to RMB1,447.7 million in the first half of 2025, representing an increase of RMB80.4 million.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FIRST HALF OF 2025 (CONTINUED)**Liquidity and Capital Structure**

The Group's working capital in the first half of 2025 mainly came from operating activities. Net cash inflow from operating activities amounted to RMB1,314.8 million.

As at June 30, 2025, the Group had a total of RMB1,396.1 million of borrowings, including short-term bank borrowing of RMB924.6 million and entrusted loans of RMB471.5 million, of which the fixed rate borrowings principal totaled RMB521.2 million. The Group did not use any financial instruments for hedging purpose.

As at June 30, 2025, cash and cash equivalents of the Group amounted to RMB6,621.2 million, of which 95.3%, 3.2% and 0.2% were denominated in RMB, USD and EUR, respectively.

Restricted Bank Deposits

As at June 30, 2025, restricted bank deposits amounted to RMB1,821.6 million, of which RMB1,794.3 million were customer provisions (as at December 31, 2024: restricted bank deposits amounted to RMB1,490.4 million, of which RMB1,449.1 million were customer provisions) which primarily comprised the deposits placed at designated bank accounts as guarantee deposits to secure, amongst others, the settlement of related business, and the customer provisions deposited with the People's Bank of China by the Company's subsidiary, Beijing Yake Payment Technology Co., Ltd.

Trust Deposits and Irrecoverable Overdue Time Deposits

As at June 30, 2025, the Group did not have any trust deposits and irrecoverable overdue time deposits. Cash deposits held by the Group are mainly deposited at commercial banks and complied with applicable laws and regulations.

Foreign Exchange Risks

The Group's foreign exchange risk arises from commercial transactions and assets and liabilities denominated in foreign currencies. Fluctuation of the exchange rates of Renminbi against foreign currencies could affect the Group's operational results.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FIRST HALF OF 2025 (CONTINUED)

Financial Assets Invested

With regard to capital management, based on the principles of prudence and soundness, the Group generally chooses principal-protected wealth management products with interest rates higher than those of bank deposits for the same period, so that the Group can maximize its capital gains.

In the first half of 2025, the Group had the following major financial assets:

(1) Trading Financial Assets

As at June 30, 2025, the Group held structural bank deposits (with floating returns) issued by Bank of Beijing, Industrial Bank, Ping An Bank, China Everbright Bank, Industrial and Commercial Bank of China and China Construction Bank of RMB: 1,100 million, 1,100 million, 1,100 million, 1,100 million, 1,000 million and 600 million, totaling RMB6,000 million. The annual interest rate of such structural bank deposits varied from 0.45% to 2.30%, with a term of 92 days to 186 days, and were non-cancellable before maturity.

(2) Financial Assets at Amortised Cost

As at June 30, 2025, the Group held certificates of deposit for more than three months issued by China Construction Bank, Minsheng Bank, Bank of Communications and Ping An Bank of RMB: 500 million, 90 million, 60 million and 20 million, totaling RMB670 million. The annual interest rate of such bank deposits varied from 1.75% to 3.10% with a term of 365 to 1,097 days. Among them, the fixed-term certificates of deposit issued by China Construction Bank amounted to RMB500 million and were non-cancellable before maturity. The national debt reverse repurchase products amounted to RMB1,000 million, with an annualised interest rate of 1.66% and a term of 28 days, and were non-cancellable before maturity.

(3) Financial Assets at Fair Value through Other Comprehensive Income

Name of investment	Business nature	Percentage of shareholding as at June 30, 2025 %	Percentage of Shareholding as at December 31, 2024 %	Fair value as at June 30, 2025 RMB'000	Fair value as at December 31, 2024 RMB'000	Gain as of June 30, 2025 RMB'000	Gain as of December 31, 2024 RMB'000
Unlisted equity, measured at fair value – CMRH Life	Life insurance	13.26	13.26	1,043,827	1,004,312	39,515	173,839

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FIRST HALF OF 2025 (CONTINUED)

Financial Assets Invested (Continued)

(3) Financial Assets at Fair Value through Other Comprehensive Income (Continued)

The performance and prospects of the financial assets "CMRH Life" during the period were as follows:

- a. Name of the company: China Merchants RenHe Life Insurance Company Limited ("CMRH Life")
- b. Business scope: General insurance (including life insurance and annuity insurance), health insurance, accident injury insurance, bonus insurance, omnipotent insurance, reinsurance of all of the above insurance businesses, the application of the insurance funds allowed by the State laws and regulations, and other businesses approved by former Banking and Insurance Regulatory Commission.
- c. Investment cost of the Company: RMB875.0 million.
- d. The percentage of the shareholding held by the Company: 13.26%.
- e. The fair value and the scale relative to the total assets of the Group:

As at June 30, 2025, the Group invested a fair value of approximately RMB1,043.8 million in CMRH Life, accounting for 3.3% of the total assets of the Group.

- f. The performance in the first half of 2025:

According to the information provided by CMRH Life to the Company, it recorded a profit of RMB173.33 million in the first half of 2025. The main reason is that CMRH Life has continuously transformed its product mix, reduced liability costs, seized opportunities in the capital market to obtain excess investment returns, and actively responded to the impact of downward interest rates to achieve ongoing profits.

- g. Strategies of future investments and the prospects of such investments:

According to the information provided by CMRH Life to the Company, with the acceleration of population aging, a notable enhancement in public health awareness, as well as the dual impetus from policy incentives and technological empowerment, CMRH Life, as an insurance company controlled by a central state-owned enterprise, will adhere to the development laws of the financial insurance industry and the principle of "insurance-oriented", following a path of market-oriented, professional, and differentiated innovation-driven development. Focusing on the transformation goal of "striving to build a digital ecosystem platform for risk management, health management and wealth management, the preferred choice for central and state-owned enterprises and employees' families", CMRH Life will continuously and thoroughly advance three major strategies: the central and state-owned enterprise strategy, the health strategy, and the family account strategy. By firmly pursuing product transformation, strengthening the linkage between assets and liabilities, continuously reducing costs and enhancing efficiency, and effectively addressing the challenges posed by a low-interest-rate environment, CMRH Life has achieved profitability for two consecutive years on its new journey of re-entrepreneurship, with the results of its reforms becoming increasingly evident.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FIRST HALF OF 2025 (CONTINUED)

Financial Assets Invested (Continued)

(4) Financial Assets at Fair Value through Profit or Loss

China Mobile Equity Fund

As stated in the announcement of the Company dated April 16, 2020, the Company entered into the limited partnership agreement (the “**Agreement**”) in relation to the formation of China Mobile Equity Fund (Hebei Xiong'an) Partnership (Limited Partnership)* (中移股權基金(河北雄安)合夥企業(有限合夥)) (“**China Mobile Equity Fund**”) with China Mobile Capital Holding Co., Ltd.* (中移資本控股有限責任公司), other investors (together with the Company and China Mobile Capital Holding Co., Ltd.* (中移資本控股有限責任公司), as the limited partners) and China Mobile Fund Co., Ltd.* (中移股權基金管理有限公司) (as the general partner), pursuant to which, the Company agreed to contribute RMB1 billion in cash to China Mobile Equity Fund during the term of the Agreement. China Mobile Equity Fund will mainly invest in the enterprises related to 5G industry application and information communication industry chain, ecosystem and empowerment industry.

As at June 30, 2025, the Company has actually contributed (including the fund management fee) RMB852.2 million pursuant to the Agreement. Please refer to Note 14.1 to the consolidated financial statements for details.

Charge on Assets

As at June 30, 2025, the Group had no charge on its assets.

Contingent Liabilities

As at June 30, 2025, the Group had no material contingent liabilities.

Gearing Ratio

As at June 30, 2025, the gearing ratio of the Group was 26.3% (as at December 31, 2024: 22.9%), which was computed by dividing the total liabilities by the total assets of the Group as at June 30, 2025.

Advancement of Data Resource Assetization within the Company

According to the Ministry of Finance's Interim Provisions on Accounting Treatment Related to Data Resources of Enterprises [Caikuai [2023] No. 11], starting from January 1, 2024, enterprises should recognize data resources that meet the confirmation conditions as intangible assets or inventory, based on the purpose of holding the data resources, the method of formation, the business model, and the expected manner of economic benefit consumption related to the data resources.

For the period ended June 30, 2025, the Group did not recognise any new data resources as intangible assets. As at June 30, 2025, the Group reported “Intangible assets — Including: Data resources” of RMB20.2 million in financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FIRST HALF OF 2025 (CONTINUED)**Major Investment or Financing Plan**

As at June 30, 2025, the Group had no major acquisitions or disposals of subsidiaries, associates and joint ventures, nor any major investment or plan to acquire significant capital assets. The Board estimates that the sources of funding of the Group in 2025 will be sufficient for the funding needs of daily operations and the Group does not have any major financing plan.

The total capital expenditure of the Group amounted to RMB133.8 million for the first half of 2025 (the first half of 2024: RMB141.5 million), mainly used in the Company's daily operation and existing system upgrade, maintenance, and others. As at June 30, 2025, the Group's capital expenditure commitment amounted to approximately RMB1,518.7 million, which will be mainly used in the Company's daily operation, maintenance, research and development and upgrading of computer system, China Mobile Equity Fund (an unlisted investment fund), etc. The sources of funding for such commitments will include existing cash at hand and internal cash flows generated from operating activities of the Group.

Additionally, as described in the 2024 Annual Report of the Company, the Company planned to commence the first stage of the construction of Beijing Shunyi Park Phase II around the end of 2025, with actual related expenses of approximately RMB3.0 million in the first half of 2025.

Employees

The Group has different remuneration standards for different employees (including executive directors and employee supervisors), based on their performance, experience, position and other factors in compliance with the relevant PRC laws and regulations, as amended from time to time. The remuneration of the employees of the Group includes salaries, bonuses and social insurance benefits provided in compliance with relevant regulations of the PRC, as amended from time to time, such as medical insurance, pension, unemployment insurance, maternity insurance and housing funds. The Group also provides its employees with opportunities to receive training in areas such as the aviation and travel industry, computer information technology and business administration education, and provides training on the latest development in areas such as computer information technology, soft skills, laws, regulations and economics. In 2007, the Group implemented a corporate annuity scheme (or supplementary pension plan) in accordance with relevant policies of the PRC. According to the corporate annuity scheme, the Group is required to make provision for monthly corporate annuity fees based on the total actual salary each month in the previous year and the ratio approved by the relevant authorities of the PRC. It also needs to deposit the annuities in the custody account of corporate annuity fund opened by its custodian.

As at June 30, 2025, the total number of employees of the Group was 6,740. Staff costs of the Group amounted to approximately RMB968.2 million for the first half of 2025, representing approximately 39.9% of the total operating expenses of the Group for the first half of 2025, among which, the aggregate corporate annuity expenses of the Group amounted to approximately RMB47.3 million for the first half of 2025 (the first half of 2024: RMB40.9 million).

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FIRST HALF OF 2025 (CONTINUED)**Subsequent Events**

From July to August 2025, the Company received a total of RMB89.7 million in tax rebates as a Key Software Enterprise. In addition to the above, as at the date of this report, the Group had no significant events since June 30, 2025 which need to be disclosed.

PROSPECTS FOR THE SECOND HALF OF 2025

In the second half of 2025, the global economic situation remains complex, with significantly increased instability and uncertainties. China's economy demonstrates strong resilience, with a steady and positive recovery. Against the dual backdrop of a slowing global economy and China's stable economic development, opportunities and challenges are intertwined in the aviation industry. The Group always adheres to the strategic approach of pursuing progress with stability and promoting stability through progress. Responding to a complex and ever-changing market environment, we continue to focus on high-quality development, strengthen technological innovation, explore the industry leadership potential, and solidify the foundation of safety support, steadfastly advancing toward the goal of becoming a world-class enterprise. In the second half, we will intensify efforts in the following key areas: continuously increasing the level of aviation safety, building a robust safety foundation, creating a high-quality safety barrier, and maintaining the Company's stable safety performance; accelerating the layout of strategic emerging industries, enhancing innovation-driven development, speeding up the implementation of innovative achievements, and boosting core competitiveness; fostering and expanding new productive forces, consolidating the advantages of our main business, increasing product market coverage, and solidifying our leading position in the industry; improving the effectiveness of reform and development, summarizing reform experiences, deepening brand leadership, and strengthening corporate governance efficiency.

OTHER INFORMATION

INTERIM DIVIDEND

The Board recommends the Company not to pay an interim dividend for the first half of 2025.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

In the first half of 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities (including sale of treasury shares as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). As at June 30, 2025, the Company did not hold any such treasury shares.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company amended the Articles of Association upon the approval at the extraordinary general meeting of the Company held on January 23, 2025. The Articles of Association and details of its amendments are available on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company’s compliance website.

As stated in the announcement of the Company dated August 21, 2025, in compliance with the requirements of the Company Law and domestic and overseas regulatory requirements, and taking into account the actual circumstances of the Company, the Board of the Company proposes to amend the Articles of Association and no longer have a Supervisory Committee or Supervisors. The Audit and Risk Management Committee (Supervisory Committee) under the Board will be renamed as the Audit Committee and will exercise the powers and functions of the Supervisory Committee as stipulated in the Company Law. Correspondingly, the Working Rules of the Supervisory Committee will be abolished. All current Supervisors of the Company will be deemed to have resigned and become effective upon completion of the amendments to the Articles of Association. Proposed amendments to the Articles of Association and abolishment of the Supervisory Committee will take effect upon approval of Shareholders at the Shareholders’ meeting.

SHARE CAPITAL STRUCTURE

The issued share capital of the Company as at June 30, 2025 amounted to 2,926,209,589 shares, with a par value of RMB1.00 each. As at June 30, 2025, the share capital structure of the Company is as follows:

Class of shares	Number of shares	Percentage to the total number of shares in issue [%]
Domestic shares	1,993,647,589	68.13
H shares	932,562,000	31.87
Total	2,926,209,589	100.00

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at June 30, 2025, the interests and short positions of any persons (other than directors, supervisors or chief executives of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) are as follows:

Name of shareholder	Class and number of securities (Note 2)	Capacity	Approximate percentage of respective class of share capital (Note 3)	Approximate percentage of total share capital (Note 3)
China TravelSky Holding Company Limited	864,836,589 domestic shares of RMB1 each (L)	Beneficial owner	43.38%	29.55%
China National Aviation Holding Corporation Limited	260,690,500 domestic shares of RMB1 each (L)	Beneficial owner	13.08%	8.91%
	18,720,000 domestic shares of RMB1 each (L) (Note 4)	Interest of controlled corporation	0.94%	0.64%
	13,045,500 domestic shares of RMB1 each (L) (Note 5)	Interest of controlled corporation	0.65%	0.45%
China Mobile Communications Group Co., Ltd.	292,100,000 domestic shares of RMB1 each (L) (Note 6)	Interest of controlled corporation	14.65%	9.98%
China Southern Air Holding Co., Ltd.	202,781,500 domestic shares of RMB1 each (L)	Beneficial owner	10.17%	6.93%
	65,773,500 domestic shares of RMB1 each (L) (Note 7)	Interest of controlled corporation	3.30%	2.25%
China Eastern Air Holding Co., Ltd.	182,743,500 domestic shares of RMB1 each (L)	Beneficial owner	9.17%	6.25%
	25,155,000 domestic shares of RMB1 each (L) (Note 8)	Interest of controlled corporation	1.26%	0.86%
	3,900,000 domestic shares of RMB1 each (L) (Note 9)	Interest of controlled corporation	0.20%	0.13%
BlackRock, Inc.	50,685,395 H shares of RMB1 each (L) (Note 10)	Interest of corporation controlled by the substantial shareholder	5.44%	1.73%
	5,354,000 H shares of RMB1 each (S) (Note 10)	Interest of corporation controlled by the substantial shareholder	0.57%	0.18%

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

Notes:

- (1) Interests and short positions in the shares and underlying shares of the Company disclosed in this section are based on the reasonable enquiries made by the Company and the data published on the website of Hong Kong Exchanges and Clearing Limited ("HKEX") (www.hkexnews.hk). For the latest disclosure of interests filings of the substantial shareholders of the Company's H shares, please refer to the "Disclosure of Interests" section on the website of HKEX (www.hkexnews.hk).
- (2) (L) — Long position; (S) — Short position; (P) — Lending pool.
- (3) The percentage is calculated by the amount of shares held by relevant person/the total amount of relevant shares issued as at June 30, 2025. Percentage in total share capital is based on 2,926,209,589 shares of the total issued share capital of the Company as at June 30, 2025; percentage in respective class of share capital is based on 1,993,647,589 domestic shares and 932,562,000 H shares of the Company as at June 30, 2025.
- (4) These shares were held by Shenzhen Airlines Company Limited, a subsidiary of China National Aviation Holding Corporation Limited. China National Aviation Holding Corporation Limited was deemed to be interested in the shares held by Shenzhen Airlines Company Limited pursuant to the SFO.
- (5) These shares were held by Shandong Airlines Company Limited, a subsidiary of China National Aviation Holding Corporation Limited. China National Aviation Holding Corporation Limited was deemed to be interested in the shares held by Shandong Airlines Company Limited pursuant to the SFO.
- (6) These shares were held by China Mobile Capital Holding Co., Ltd., a subsidiary of China Mobile Communications Group Co., Ltd. China Mobile Communications Group Co., Ltd. was deemed to be interested in the shares held by China Mobile Capital Holding Co., Ltd. pursuant to the SFO, of which 145,500,000 domestic shares (S) (accounting for approximately 4.97% of the total share capital) are deemed to be held through China Mobile Capital Holding Co., Ltd. under the relevant agreements, based on the Disclosure Notice of the Interest of Corporate Substantial Shareholder filed by China Mobile Communications Group Co., Ltd. on February 6, 2024.
- (7) These shares were held by Xiamen Airlines Company Limited, a subsidiary of China Southern Air Holding Co., Ltd. China Southern Air Holding Co., Ltd. was deemed to be interested in the shares held by Xiamen Airlines Company Limited pursuant to the SFO.
- (8) These shares were held by China Eastern Airlines Co., Ltd., a subsidiary of China Eastern Air Holding Co., Ltd. China Eastern Air Holding Co., Ltd. was deemed to be interested in the shares held by China Eastern Airlines Co., Ltd. pursuant to the SFO.
- (9) These shares were held by China Eastern Airlines Wuhan Co. Ltd., a subsidiary of China Eastern Air Holding Co., Ltd. China Eastern Air Holding Co., Ltd. was deemed to be interested in the shares held by China Eastern Airlines Wuhan Co. Ltd. pursuant to the SFO.

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

Notes: (Continued)

- (10) Based on the Disclosure Notice of the Interest of Corporate Substantial Shareholder filed by BlackRock, Inc. on July 2, 2025, BlackRock, Inc. was deemed to be interested in 50,685,395 H shares (L) and 5,354,000 H shares (S). These shares were held by BlackRock Finance, Inc., Trident Merger, LLC, BlackRock Investment Management, LLC, BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock Holdco 4, LLC, BlackRock Holdco 6, LLC, BlackRock Delaware Holdings Inc., BlackRock Institutional Trust Company, National Association, BlackRock Fund Advisors, BlackRock Capital Holdings, Inc., BlackRock Advisors, LLC, BlackRock International Holdings, Inc., BR Jersey International Holdings L.P., BlackRock Lux Finco S.à r.l., BlackRock Japan Holdings GK, BlackRock Japan Co., Ltd., BlackRock Holdco 3, LLC, BlackRock Canada Holdings ULC, BlackRock Asset Management Canada Limited, BlackRock Australia Holdco Pty. Ltd., BlackRock Investment Management (Australia) Limited, BlackRock (Singapore) Holdco Pte. Ltd., BlackRock HK Holdco Limited, BlackRock Asset Management North Asia Limited, BlackRock Cayman 1 LP, BlackRock Cayman West Bay Finco Limited, BlackRock Cayman West Bay IV Limited, BlackRock Group Limited, BlackRock Finance Europe Limited, BlackRock (Netherlands) B.V., BlackRock Group Limited-Luxembourg Branch, BlackRock Luxembourg Holdco S.à r.l., BlackRock Investment Management Ireland Holdings Unlimited Company, BlackRock Asset Management Ireland Limited, BLACKROCK (Luxembourg) S.A., BlackRock Investment Management (UK) Limited, BlackRock Fund Managers Limited, BlackRock (Singapore) Limited, BlackRock UK Holdco Limited, BlackRock Asset Management Schweiz AG, EG Holdings Blocker, LLC, Amethyst Intermediate, LLC, Aperio Holdings, LLC, Aperio Group, LLC, which were directly or indirectly controlled by BlackRock, Inc. BlackRock, Inc. was deemed to be interested in the shares held by such companies pursuant to the SFO.

Save as the above, to the best knowledge of the Company's directors, as at June 30, 2025, no persons (other than directors, supervisors or chief executive of the Company) had any interests or short positions in the shares or underlying shares of the Company that are required to be recorded in the register maintained by the Company under Section 336 of the SFO.

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ANY OTHER ASSOCIATED CORPORATIONS

As at June 30, 2025, none of the directors, supervisors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that are required to be recorded in the register kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange by the directors, supervisors or chief executives pursuant to the Model Code (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules.

None of the directors, supervisors or chief executives of the Company or their respective associates had been granted or had exercised any rights to subscribe for the securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) for the six months ended June 30, 2025.

CORPORATE GOVERNANCE

The Company is committed to establishing and maintaining high level of corporate governance, as well as disclosing information to all market participants and regulatory authorities in a timely, accurate, complete and reliable manner to enhance the transparency of the Company. The Company has adopted the code provisions as stipulated in the “Corporate Governance Code” and “Corporate Governance Report” (the “**Code Provisions**”) in Appendix C1 to the Listing Rules as the Company’s code of corporate governance.

The Company has deviated from the Code Provision C.2.1 “the roles of chairman and chief executives should be separate and should not be performed by the same individual”. As stated in the Company’s announcement dated May 2, 2022, Mr. Huang Rongshun, the chairman of the Company, has been appointed as the general manager of the Company. At present, the chairman and general manager of the Company are performed by the same individual, which is a transitional arrangement only. Considering that the Board constitutes a sufficient number of independent non-executive directors, a temporary deviation from the Code Provision would not prejudice the balanced distribution of power and authority between the Board and the management of the Company.

OTHER INFORMATION

CORPORATE GOVERNANCE (CONTINUED)

The Company has deviated from the Code Provision B.2.2 “every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years”. As stated in the announcement of the Company dated February 27, 2023, the term of the seventh session of the Board expired on February 26, 2023. Given that the nomination process of candidates for the directors of the new session of the Board has not been completed, the re-election and appointment of members of the Board will be postponed as appropriate, and the term of office of each committee of the seventh session of the Board of the Company will be extended accordingly. The Company will endeavor to complete the re-election and appointment of members of the Board as soon as possible, and fulfill respective information disclosure obligations in a timely manner. All members of the seventh session of the Board of the Company will continue to fulfill their respective duties and responsibilities of directors in accordance with the laws, administrative regulations and the Articles of Association until the re-election work is completed. The normal operation of the Company will not be affected by the postponement of re-election of the members of the Board.

Except for the above deviations from Code Provision C.2.1 and B.2.2, the Company has fully complied with the other Code Provisions in the first half of 2025.

For the six-month period ended June 30, 2025, the Company has adopted the Model Code set out in Appendix C3 to the Listing Rules and standards required thereof as the model code and the standards for conducting securities transactions by directors and supervisors of the Company. After making specific enquiries to all directors and supervisors, the Company confirmed that all directors and supervisors have acted in full compliance with Model Code and the standards regarding directors’ securities transactions required thereof during the six-month period ended June 30, 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE (SUPERVISORY COMMITTEE)

The Audit and Risk Management Committee (Supervisory Committee) of the Company has discussed and reviewed the unaudited interim results of the Group for the six months ended June 30, 2025 with the Company’s management, and has also discussed matters relating to internal control, risk management and financial reporting.

As stated in the announcement of the Company dated August 21, 2025, The Board of the Company proposes to amend the Articles of Association. The Audit and Risk Management Committee (Supervisory Committee) under the Board will be renamed as the Audit Committee and will exercise the powers and functions of the Supervisory Committee as stipulated in the Company Law. Amendments to the Articles of Association will take effect upon approval of Shareholders at the Shareholders’ meeting.

CHANGE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AND CHANGE IN INFORMATION

Change of Directors

As stated in the announcements of the Company dated January 16, 2025 and January 23, 2025, employee representative meeting of the Company elected to appoint Ms. Liang Shuang as the employee representative director of the Company on January 16, 2025, which became effective upon the approval in respect of the amendments to the Articles of Association at the extraordinary general meeting of the Company held on 23 January 2025.

As stated in the announcement of the Company dated June 12, 2025, Ms. He Xiaoqun was elected and appointed as a non-executive director and member of the Strategy and Investment Committee (Legal Compliance Committee) ("**Strategy Committee**") of the seventh session of the Board at the annual general meeting of the Company held on that day. At the same time, the shareholders' meeting approved that Mr. Xi Sheng shall no longer serve as a non-executive director and member of the Strategy Committee of the Company.

Change of Supervisors

As stated in the announcement of the Company dated January 23, 2025, with the approval of the extraordinary general meeting of the Company held on that day, Mr. Lyu Wei was appointed as the shareholder representative supervisor of the seventh session of the Supervisory Committee of the Company, and Mr. Yang Jun will no longer serve as the shareholder representative supervisor of the Company.

Change of Senior Management

As stated in the announcement of the Company dated June 4, 2025, with the approval of the Board of the Company, Mr. Du Xiaoming and Mr. Yu Bo were appointed as vice general managers of the Company.

As stated in the announcement of the Company dated January 20, 2025, Mr. Yuan Leifeng has ceased to serve as a vice general manager of the Company because of his retirement.

OTHER INFORMATION

CHANGE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT AND CHANGE IN INFORMATION (CONTINUED)

Change in Information of Directors and Supervisors

Change in the information of directors or supervisors of the Company that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2024 annual report is set out below:

Mr. Liu Zehong, an independent non-executive director, has ceased to serve as an external director of China Datang Corporation Ltd. since May 2025. Mr. Liu has served as an external director of China Huaneng Group Co., Ltd. since May 2025.

Ms. He Xiaoqun, a non-executive director, was granted a professional title of senior economist in June 2025.

By order of the Board

Huang Rongshun

Chairman

August 21, 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

Assets	Notes	As at June 30, 2025	As at December 31, 2024
Current assets:			
Cash and bank balances	5.1	6,648,494,155.89	10,548,986,496.67
Balances with clearing companies			
Loans to banks and other financial institutions			
Financial assets held for trading	5.2	6,022,134,804.98	2,218,192,945.21
Derivative financial assets			
Notes receivable	5.3	319,439,304.13	269,118,893.54
Accounts receivable	5.4	5,331,220,854.35	4,959,275,042.63
Receivables financing			
Advances to suppliers	5.5	339,770,403.66	72,999,193.03
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	5.6	2,759,112,559.95	2,100,223,581.75
Financial assets purchased under resale agreements			
Inventories	5.7	107,955,941.50	81,686,792.62
Including: Data resources			
Contract assets	5.8	74,627,355.61	44,000,852.27
Assets held for sale			
Non-current assets maturing within one year	5.9	537,921,917.81	
Other current assets	5.10	1,243,749,914.82	203,727,383.98
Total current assets		23,384,427,212.70	20,498,211,181.70

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

Assets	Notes	As at June 30, 2025	As at December 31, 2024
Non-current assets:			
Disbursements of loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	5.11	910,918,304.20	899,875,105.43
Investments in other equity instruments	5.12	1,043,827,200.00	1,004,312,400.00
Other non-current financial assets	5.13	996,866,936.75	1,017,411,627.32
Investment properties	5.14	80,531,538.34	84,971,063.92
Fixed assets	5.15	2,719,000,106.08	2,784,164,532.52
Construction in progress	5.16	40,448,633.31	37,609,010.67
Productive biological assets			
Oil and gas assets			
Right-of-use assets	5.17	299,938,636.89	43,889,847.06
Intangible assets	5.18	1,790,836,062.26	2,004,840,572.58
Including: Data resources		20,225,678.07	26,650,781.13
Development expenditures	6.2	92,811,219.10	49,791,772.44
Including: Data resources			
Goodwill	5.19	260,400.76	260,400.76
Long-term deferred expenses	5.20	31,925,881.62	25,919,254.65
Deferred tax assets	5.21	587,015,893.09	592,031,037.44
Other non-current assets	5.22	142,656,083.32	651,357,806.69
Total non-current assets		8,737,036,895.72	9,196,434,431.48
Total assets		32,121,464,108.42	29,694,645,613.18

The accompanying notes form an integral part of the financial statements.

Legal Representative: Huang Rongshun Chief Accountant: Liu Xianqing Accountant in Charge: Zheng Wei

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

		As at June 30, 2025	As at December 31, 2024
Liabilities and Shareholders' equity	Notes		
Current liabilities:			
Short-term borrowings	5.24	924,560,664.59	1,203,300,592.42
Borrowings from central bank			
Loans from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable	5.25	2,209,279,686.34	2,187,400,166.94
Advances from customers			
Contract liabilities	5.26	815,475,346.83	645,608,277.80
Financial assets sold under repurchase agreements			
Absorption of deposits and interbank deposits			
Receiving from vicariously traded securities			
Receiving from vicariously sold securities			
Employee compensation payable	5.27	262,133,661.79	290,568,224.21
Taxes payable	5.28	112,771,164.90	181,366,693.57
Other payables	5.29	3,221,688,720.11	1,951,988,472.80
Handling charges and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities maturing within one year	5.30	112,954,536.69	241,577,991.50
Other current liabilities	5.31	48,263,726.50	22,905,296.79
Total current liabilities		7,707,127,507.75	6,724,715,716.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

		As at June 30, 2025	As at December 31, 2024
Liabilities and Shareholders' equity	Notes		
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	5.32	471,540,311.11	
Bonds payable			
Including: Preferred stock			
Perpetual bonds			
Lease liabilities	5.33	192,720,540.79	8,253,574.18
Long-term payables	5.34	415,709.35	400,237.65
Long-term employee compensation payable			
Provisions	5.35	1,157,503.76	20,000.00
Deferred income	5.36	652,500.00	172,500.00
Deferred tax liabilities	5.21	71,457,169.43	64,097,885.48
Other non-current liabilities			
Total non-current liabilities		737,943,734.44	72,944,197.31
Total liabilities		8,445,071,242.19	6,797,659,913.34
Shareholders' equity:			
Share capital	5.37	2,926,209,589.00	2,926,209,589.00
Other equity instruments			
Including: Preferred stock			
Perpetual bonds			
Capital reserves	5.38	1,267,468,110.48	1,267,468,110.48
Less: Treasury stock			
Other comprehensive income	5.39	129,911,341.63	98,947,549.31
Special reserves			
Surplus reserves	5.40	4,679,359,017.20	4,509,067,403.87
General risk reserves	5.41	15,228,948.37	13,260,933.32
Retained earnings	5.42	14,065,902,787.81	13,489,875,636.21
Total equity attributable to shareholders of the Company		23,084,079,794.49	22,304,829,222.19
Non-controlling interests		592,313,071.74	592,156,477.65
Total shareholders' equity		23,676,392,866.23	22,896,985,699.84
Total liabilities and shareholders' equity		32,121,464,108.42	29,694,645,613.18

The accompanying notes form an integral part of the financial statements.

Legal Representative: Huang Rongshun Chief Accountant: Liu Xianqing Accountant in Charge: Zheng Wei

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

As at June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

Assets	Notes	As at June 30, 2025	As at December 31, 2024
Current assets:			
Cash and bank balances		3,755,403,965.79	7,834,760,091.25
Financial assets held for trading		6,022,134,804.98	2,218,192,945.21
Derivative financial assets			
Notes receivable		300,110,116.80	256,140,522.44
Accounts receivable	17.1	4,963,316,975.21	4,501,083,064.12
Receivables financing			
Advances to suppliers		339,666,225.19	85,883,638.82
Other receivables	17.2	390,114,750.66	364,757,247.16
Inventories		15,511,514.92	15,568,327.05
Including: Data resources			
Contract assets		74,255,218.56	43,718,738.10
Assets held for sale			
Non-current assets maturing within one year			
Other current assets		1,186,229,685.60	112,254,358.64
Total current assets		17,046,743,257.71	15,432,358,932.79

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

As at June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

Assets	Notes	As at June 30, 2025	As at December 31, 2024
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	17.3	2,761,614,483.31	2,749,351,507.05
Investment in other equity instruments		1,004,312,400.00	1,004,312,400.00
Other non-current financial assets		996,866,936.75	1,017,411,627.32
Investment properties		72,454,173.81	76,575,994.47
Fixed assets		2,318,476,919.05	2,368,661,653.66
Construction in progress		40,547,689.91	37,708,067.27
Productive biological assets			
Oil and gas assets			
Right-of-use assets		268,186,754.43	25,640,115.40
Intangible assets		1,680,024,443.33	1,907,393,789.27
Including: Data resources		20,225,678.07	26,650,781.13
Development expenditures		79,535,073.92	29,133,718.79
Including: Data resources			
Goodwill			
Long-term deferred expenses		28,898,612.89	23,246,289.52
Deferred tax assets		574,698,937.17	577,152,101.52
Other non-current assets			
Total non-current assets		9,825,616,424.57	9,816,587,264.27
Total assets		26,872,359,682.28	25,248,946,197.06

The accompanying notes form an integral part of the financial statements.

Legal Representative: Huang Rongshun Chief Accountant: Liu Xianqing Accountant in Charge: Zheng Wei

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

As at June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

Liabilities and Shareholders' equity	Notes	As at June 30, 2025	As at December 31, 2024
Current liabilities:			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		2,497,437,862.30	2,477,488,442.40
Advances from customers			
Contract liabilities		761,256,288.32	600,175,903.18
Employee compensation payables		143,387,004.49	184,885,070.77
Taxes payable		53,396,255.37	76,100,180.35
Other payables		3,840,929,990.65	3,435,017,105.64
Liabilities held for sale			
Non-current liabilities maturing within one year		96,889,930.88	228,450,779.77
Other current liabilities		44,131,011.71	19,981,095.66
Total current liabilities		7,437,428,343.72	7,022,098,577.77
Non-current liabilities:			
Long-term borrowings		471,540,311.11	
Bonds payable			
Including: Preferred stock			
Perpetual bonds			
Lease liabilities		173,713,482.67	1,095,768.72
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income		652,500.00	172,500.00
Deferred tax liabilities		52,658,202.36	51,251,622.27
Other non-current liabilities			
Total non-current liabilities		698,564,496.14	52,519,890.99
Total liabilities		8,135,992,839.86	7,074,618,468.76

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

As at June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

	Notes	As at June 30, 2025	As at December 31, 2024
Liabilities and Shareholders' equity			
Shareholders' equity:			
Share capital		2,926,209,589.00	2,926,209,589.00
Other equity instruments			
Including: Preferred stock			
Perpetual bonds			
Capital reserves		1,366,207,124.26	1,366,207,124.26
Less: Treasury stock			
Other comprehensive income		113,265,760.25	113,265,760.25
Special reserves			
Surplus reserves		4,673,852,825.00	4,503,561,211.67
Retained earnings		9,656,831,543.91	9,265,084,043.12
Total shareholders' equity		18,736,366,842.42	18,174,327,728.30
Total liabilities and shareholders' equity		26,872,359,682.28	25,248,946,197.06

The accompanying notes form an integral part of the financial statements.

Legal Representative: Huang Rongshun Chief Accountant: Liu Xianqing Accountant in Charge: Zheng Wei

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

Item	Notes	For the six months ended June 30, 2025	For the six months ended June 30, 2024
I. Total operating income		3,894,499,947.14	4,041,791,212.19
Including: Operating income	5.43	3,894,499,947.14	4,041,791,212.19
Interest income			
Earned premium			
Fees and commission income			
II. Total operating costs		2,427,876,763.37	2,535,291,416.00
Including: Operating costs	5.43	1,606,525,896.47	1,634,123,093.42
Interest expenses			
Handling charges and Commissions Expenses			
Refunds of insurance premiums			
Net payments for insurance claims			
Net provisions for insurance liability reserves			
Commissions on insurance policies			
Cession charges			
Taxes and surcharges	5.44	44,819,753.64	44,667,989.61
Selling and distribution expenses	5.45	45,870,925.36	38,887,952.91
General and administrative expenses	5.46	620,243,073.36	464,305,780.97
Research and development expenses	5.47	166,323,848.95	431,960,329.68
Financial expenses	5.48	-55,906,734.41	-78,653,730.59
Including: Interest expenses		7,799,447.56	6,435,439.83
Interest income		57,411,998.60	73,390,563.96
Plus: Other income	5.49	3,903,044.93	7,677,627.21
Investment income ("-" for losses)	5.50	28,714,482.79	39,334,601.25
Including: Gains from investment in associates and joint ventures		11,043,198.77	2,121,237.91
Gains from derecognition of financial assets measured at amortized cost			
Foreign exchange gains ("-" for losses)			
Income from net exposure hedging ("-" for losses)			
Gains from the changes in fair value ("-" for losses)	5.51	9,398,506.85	484,501.76
Credit impairment losses ("-" for losses)	5.52	176,545,235.82	65,664,000.96
Asset impairment losses ("-" for losses)	5.53	2,069,412.78	-6,021,305.48
Gains from disposal of assets ("-" for losses)	5.54	2,733,843.86	16,487.46

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Notes	For the six months ended June 30, 2025	For the six months ended June 30, 2024
III. Operating profits ("-" for losses)		1,689,987,710.80	1,613,655,709.35
Plus: Non-operating income	5.55	1,917,439.73	3,162,710.29
Less: Non-operating expenses	5.56	13,985,252.11	11,096,151.97
IV. Total profits ("-" for total losses)		1,677,919,898.42	1,605,722,267.67
Less: Income tax expenses	5.57	229,136,532.58	228,906,798.98
V. Net profit ("-" for net loss)		1,448,783,365.84	1,376,815,468.69
(I) Classified by operating continuity			
1. Net profit from continuing operations ("-" for net loss)		1,448,783,365.84	1,376,815,468.69
2. Net profit from discontinued operations ("-" for net losses)			
(II) Classified by ownership			
1. Net profit attributable to shareholders of the Company ("-" for net loss)		1,447,650,871.75	1,367,221,060.18
2. Net profit attributable to non-controlling interests ("-" for net loss)		1,132,494.09	9,594,408.51
VI. Other comprehensive income, net of tax		30,963,792.32	45,396,422.96
Other comprehensive income, net of tax attributable to shareholders of the Company		30,963,792.32	45,396,422.96
(I) Other comprehensive income that cannot be reclassified to profit or loss		33,587,580.00	44,182,320.00
1. Changes of re-measurement in defined benefit plan			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in fair value of other equity instruments investment		33,587,580.00	44,182,320.00
4. Changes in the fair value of the Company's own credit risk			
(II) Other comprehensive income that may be reclassified to profit or loss		-2,623,787.68	1,214,102.96
1. Other comprehensive income that may be reclassified to profit or loss under the equity method			
2. Changes in fair value of other debt investment			
3. Amounts of financial assets reclassified to other comprehensive income			
4. Provisions for credit impairment of other debt investments			
5. Cash flow hedging reserves			
6. Differences arising from translation of foreign-currency financial statements		-2,623,787.68	1,214,102.96
7. Others			
Other comprehensive income, net of tax, attributable to non-controlling interests			

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

Item	Notes	For the six months ended June 30, 2025	For the six months ended June 30, 2024
VII. Total comprehensive income		1,479,747,158.16	1,422,211,891.65
Total comprehensive income attributable to shareholders of the Company		1,478,614,664.07	1,412,617,483.14
Total comprehensive income attributable to non-controlling interests		1,132,494.09	9,594,408.51
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	5.58	0.49	0.47
(II) Diluted earnings per share (RMB/share)	5.58	0.49	0.47

The accompanying notes form an integral part of the financial statements.

Legal Representative: Huang Rongshun Chief Accountant: Liu Xianqing Accountant in Charge: Zheng Wei

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE PARENT COMPANY

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Notes	For the six months ended June 30, 2025	For the six months ended June 30, 2024
I. Operating income	17.4	3,165,206,321.88	3,313,339,303.36
Less: Operating costs	17.4	1,309,765,956.64	1,348,844,359.05
Taxes and surcharges		38,465,759.90	38,504,384.32
Selling and distribution expenses		20,080,694.64	19,495,787.36
General and administrative expenses		415,270,647.39	332,154,069.22
Research and development expenses		127,081,309.64	299,809,704.90
Financial expenses		-11,513,145.17	-33,429,902.17
Including: Interest expenses		6,960,012.58	5,731,135.69
Interest income		20,414,489.49	35,660,822.64
Plus: Other income		2,132,998.45	4,475,095.76
Investment income ("-" for loss)	17.5	30,949,960.28	37,760,939.76
Including: Gains from investment in associates and joint ventures		12,262,976.26	-14,518,585.49
Gains from derecognition of financial assets measured at amortized cost			
Income from net exposure hedging ("-" for losses)		9,398,506.85	484,501.76
Gains from changes in fair value ("-" for losses)		151,464,140.79	60,767,890.23
Credit impairment losses ("-" for losses)		1,269,465.98	-4,910,271.37
Asset impairment losses ("-" for losses)		2,661,860.29	12,418.29
Gains from disposal of assets ("-" for losses)			
II. Operating profits ("-" for loss)		1,463,932,031.48	1,406,551,475.11
Plus: Non-operating income		560,835.99	2,870,516.74
Less: Non-operating expenses		12,801,739.11	10,623,947.44
III. Total profits ("-" for total losses)		1,451,691,128.36	1,398,798,044.41
Less: Income tax expenses		190,287,922.47	206,910,246.29
IV. Net profit ("-" for net loss)		1,261,403,205.89	1,191,887,798.12
(I) Net profit from continuing operations ("-" for net loss)		1,261,403,205.89	1,191,887,798.12
(II) Net profit from discontinued operations ("-" for net loss)			

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE PARENT COMPANY

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

Item	Notes	For the six months ended June 30, 2025	For the six months ended June 30, 2024
V. Other comprehensive income, net of tax		33,587,580.00	44,182,320.00
(I) Other comprehensive income that cannot be reclassified to profit or loss		33,587,580.00	44,182,320.00
1. Changes in re-measurement of the defined benefit plan			
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method			
3. Changes in fair value of other equity instruments investment		33,587,580.00	44,182,320.00
4. Changes in the fair value of the Company's own credit risk			
(II) Other comprehensive income that may be reclassified to profit or loss			
1. Other comprehensive income that may be transferred to profit or loss under the equity method			
2. Changes in fair value of other debt investments			
3. Amounts of financial assets reclassified to other comprehensive income			
4. Provisions for credit impairment of other debt investments			
5. Cash flow hedging reserves			
6. Differences arising from translation of foreign-currency financial statements			
7. Others			
VI. Total comprehensive income		1,294,990,785.89	1,236,070,118.12
VII. Earnings per share:			
(I) Basic earnings per share (RMB/share)			
(II) Diluted earnings per share (RMB/share)			

The accompanying notes form an integral part of the financial statements.

Legal Representative: Huang Rongshun Chief Accountant: Liu Xianqing Accountant in Charge: Zheng Wei

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Notes	For the six months ended June 30, 2025	For the six months ended June 30, 2024
I. Cash flows from operating activities			
Cash received from sales of goods and rendering of services		4,026,621,677.33	3,233,843,728.26
Net increase in customer deposits and deposits from other banks and financial institutions			
Net increase in borrowings from central banks			
Net increase in loans from other financial institutions			
Cash received from receiving insurance premium of original insurance contract			
Net cash received from reinsurance business			
Net increase in deposits and investments from policyholders			
Cash received from interest, handling charges and commissions			
Net increase in loans from banks and other financial institutions			
Net capital increase in repurchase business			
Net cash received from vicariously traded securities			
Refunds of taxes and surcharges		856,040.37	4,913,626.94
Cash received from other operating activities	5.60	57,658,822,810.80	66,440,302,148.46
Sub-total of cash inflows from operating activities		61,686,300,528.50	69,679,059,503.66
Cash paid for goods purchased and services received		954,038,106.02	921,948,828.06
Net increase in customers' loans and advances			
Net increase in deposits with central bank and with banks and other financial institutions			
Cash paid for original insurance contract claims			
Net increase in loans to banks and other financial institutions			
Cash paid for interest, handling charges and commissions			
Cash paid for policy dividends			
Cash paid to and on behalf of employees		1,078,548,834.69	1,091,304,512.91
Cash paid for taxes and surcharges		492,014,104.92	437,525,592.15
Cash paid for other operating activities	5.60	57,846,947,937.27	65,940,844,612.54
Sub-total of cash outflows from operating activities		60,371,548,982.90	68,391,623,545.66
Net cash flows from operating activities	5.61	1,314,751,545.60	1,287,435,958.00

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

Item	Notes	For the six months ended June 30, 2025	For the six months ended June 30, 2024
II. Cash flows from investing activities			
Cash received from disposal of investments		4,326,001,337.64	3,503,394,657.11
Cash received from returns on investments		43,492,261.22	60,733,861.17
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		230,031.73	1,389,793.25
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities	5.60		37,250.00
Sub-total of cash inflows from investing activities		4,369,723,630.59	3,565,555,561.53
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		387,432,803.21	175,530,830.23
Cash paid for investments		9,100,066,190.32	2,700,000,000.00
Net increase in pledge loans			
Net cash paid to acquire subsidiaries and other business units			
Cash paid for other investing activities	5.60		442,553.74
Sub-total of cash outflows from investing activities		9,487,498,993.53	2,875,973,383.97
Net cash flows from investing activities		-5,117,775,362.94	689,582,177.56
III. Cash flows from financing activities			
Cash from absorption of investments			
Including: Cash received by subsidiaries from investment by minority shareholders			
Cash received from borrowings		1,975,909,645.78	1,961,999,998.00
Cash received from other financing activities			
Sub-total of cash inflows from financing activities		1,975,909,645.78	1,961,999,998.00
Cash paid for debts repayments		1,983,189,098.25	1,561,589,901.50
Cash paid for distribution of dividends and profits or payment of interest		17,181,331.19	31,886,381.61
Including: Dividends and profits paid to minority shareholders by subsidiaries		1,136,500.00	4,648,760.44
Cash paid for other financing activities	5.60	57,609,797.71	66,290,329.14
Sub-total of cash outflows from financing activities		2,057,980,227.15	1,659,766,612.25
Net cash flows from financing activities		-82,070,581.37	302,233,385.75

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Notes	For the six months ended June 30, 2025	For the six months ended June 30, 2024
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		-1,404,917.31	6,757,490.38
V. Net increase in cash and cash equivalents		-3,886,499,316.02	2,286,009,011.69
Plus: Beginning balance of cash and cash equivalents		10,507,711,480.03	7,276,531,274.65
VI. Closing balance of cash and cash equivalents		6,621,212,164.01	9,562,540,286.34

The accompanying notes form an integral part of the financial statements.

Legal Representative: Huang Rongshun Chief Accountant: Liu Xianqing Accountant in Charge: Zheng Wei

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

Item	Notes	For the six months ended June 30, 2025	For the six months ended June 30, 2024
I. Cash flows from operating activities			
Cash received from sales of goods and rendering of services		3,126,727,158.06	2,379,222,194.46
Refund of taxes and surcharges		327,630.97	
Cash received from other operating activities		68,857,249.48	435,744,814.73
Sub-total of cash inflows from operating activities		3,195,912,038.51	2,814,967,009.19
Cash paid for goods purchased and services received		858,034,896.41	842,678,310.00
Cash paid to and on behalf of employees		651,032,817.12	652,670,429.14
Cash paid for taxes and surcharges		376,767,249.00	350,353,459.48
Cash paid for other operating activities		500,764,450.32	204,046,864.10
Sub-total of cash outflows from operating activities		2,386,599,412.85	2,049,749,062.72
Net cash flows from operating activities		809,312,625.66	765,217,946.47
II. Cash flows from investing activities			
Cash received from disposal of investments		4,326,001,337.64	3,503,394,657.11
Cash received from returns on investments		43,492,261.22	60,583,861.17
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		173,847.75	1,371,243.25
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities			
Sub-total of cash inflows from investing activities		4,369,667,446.61	3,565,349,761.53
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		379,139,793.78	238,172,970.93
Cash paid for investments		9,100,066,190.32	2,700,000,000.00
Net cash paid to acquire subsidiaries and other business units			
Cash paid for other investing activities			
Sub-total of cash outflows from investing activities		9,479,205,984.10	2,938,172,970.93
Net cash flows from investing activities		-5,109,538,537.49	627,176,790.60

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	Notes	For the six months ended June 30, 2025	For the six months ended June 30, 2024
III. Cash flows from financing activities			
Cash from absorption of investments			
Cash received from borrowings		471,200,000.00	
Cash received from other financing activities			
Sub-total of cash inflows from financing activities		471,200,000.00	
Cash paid for debts repayments		200,000,000.00	
Cash paid for distribution of dividends and profits or payment of interest		3,247,368.89	3,558,333.33
Cash paid for other financing activities		48,112,377.23	56,110,115.63
Sub-total of cash outflows from financing activities		251,359,746.12	59,668,448.96
Net cash flows from financing activities		219,840,253.88	-59,668,448.96
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		1,029,532.49	-681,369.47
V. Net increase in cash and cash equivalents		-4,079,356,125.46	1,332,044,918.64
Plus: Beginning balance of cash and cash equivalents		7,834,760,091.25	5,273,294,551.65
VI. Closing balance of cash and cash equivalents		3,755,403,965.79	6,605,339,470.29

The accompanying notes form an integral part of the financial statements.

Legal Representative: Huang Rongshun Chief Accountant: Liu Xianqing Accountant in Charge: Zheng Wei

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

The accompanying notes form an integral part of the financial statements.

Accountant in Charge: Zheng Wei

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

The accompanying notes form an integral part of the financial statements.

Chief Accountant: Liu Xiangqing

Accountant in Charge: Zheng Wei

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

The accompanying notes form an integral part of the financial statements.

Accountant in Charge: Zheng Wei

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE PARENT COMPANY

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

Item	For the Period from June 30, 2024 to December 31, 2024							Total shareholders' equity
	Share capital	Preferred stock	Other equity instruments	Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	
I. Balance as at December 31, 2023	2,976,209,589.00			1,298,570,506.29		-34,440,759.56	4,216,288,476.30	16,724,261,991.49
Plus: Changes in accounting policies								
Correction of accounting errors in prior periods								
Others								
II. Balance as at January 1, 2024	2,976,209,589.00			1,298,570,506.29		-34,440,759.56	4,216,288,476.30	16,724,261,991.49
III. Increase/decrease in 2024 ("+" for increases)				48,777,268.21		44,182,320.00	116,981,122.04	816,653,852.09
(1) Total comprehensive income						44,182,320.00		1236,070,118.12
(2) Capital contributed or reduced by shareholders				48,777,268.21				48,777,268.21
(i) Common stock contributions by shareholders								
(ii) Capital contributed by the holders of other equity instruments								
(iii) Amounts of share-based payments recognized in shareholders' equity								
(iv) Others								
(3) Profit distribution				48,777,268.21				48,777,268.21
(i) Withdrawal of surplus reserves								
(ii) Profit distribution to shareholders								
(iii) Others								
(4) Internal carry-forward of shareholders' equity								
(i) Conversion of capital reserves into paid-in capital (or share capital)								
(ii) Conversion of surplus reserves into paid-in capital (or share capital)								
(iii) Losses offset by surplus reserves								
(iv) Carry-forward of changes in the defined benefit plan for retained earnings								
(v) Carry-forward of other comprehensive income for retained earnings								
(vi) Others								
(5) Special reserves								
(i) Amount withdrawn in 2024								
(ii) Amount used in 2024								
(6) Others								
IV. Balance as at June 30, 2024	2,976,209,589.00			1,347,347,774.50		9,741,560.44	4,333,269,598.34	17,540,915,843.58

The accompanying notes form an integral part of the financial statements.

Legal Representative: Huang Rongshun

Chief Accountant: Liu Xianqing

Accountant in Charge: Zheng Wei

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

1 COMPANY PROFILE

TravelSky Technology Limited (hereinafter referred to as the “**Company**” or “**the Company**”) was incorporated in Beijing, the People’s Republic of China on October 18, 2000, with offering of 577,303,500 shares totaled share capital of RMB577,303,500.00 and par value of RMB1 per share at the time of establishment.

On February 7, 2001, the Company completed its initial offering of 310,854,000 H ordinary shares (par value of RMB1 per share) to overseas investors and listed on the Stock Exchange of Hong Kong Ltd. (the “**SEHK**”), increasing its total share capital to RMB888,157,500.00 after the offering.

On June 5, 2007, at the annual and extraordinary general shareholders’ meeting of the Company, the Company approved to distribute bonus at RMB1 par value per share to shareholders with the capital reserves-equity premiums of RMB888,157,500.00, totaling 888,157,500 shares for each existing share for one share, and meanwhile increased the share capital of the Company. After the conversion, the number of ordinary shares of the Company increased from 888,157,500 shares to 1,776,315,000 shares and the total share capital increased to RMB1,776,315,000.00.

According to the Company’s extraordinary shareholders meeting resolution in July 2008, the Company issued 174,491,393 ordinary shares of RMB1 each to China TravelSky Holding Company Limited (formerly known as China TravelSky Holding Company, hereinafter referred to as “**CTH**”) as all equities of Accounting Center of China Aviation acquired by the Company from CTH and the consideration for property located at Dongxing Lane, Chaoyang District, Beijing, China. Upon completion of the acquisition in March 2009, the number of ordinary shares of the Company increased from 1,776,315,000 shares to 1,950,806,393 shares and the total share capital increased to RMB1,950,806,393.00.

On June 28, 2011, in accordance with the resolution of the annual general meeting, the Company was approved issue bonus by way of allocation of its reserves and retained earnings to capital, increase its share capital of RMB975,403,196.00 with discretionary surplus (RMB487,701,598.00) and undistributed profits (RMB487,701,598.00), and distribute the bonus to the shareholders of the Company whose names appeared on its register of shareholders on June 28, 2011, with one bonus share for every two shares of the Company held at that time, and the total share capital of the Company after the capital increase increased to RMB2,926,209,589.00.

As at June 30, 2025, the Company cumulatively issued share capital by the Company was 2,926,209,589 shares, and the registered share capital was RMB2,926,209,589.00.

The existing unified social credit code: 9111000071092729XP. Registered office: No. 7 Yumin Street, Houshayu Town, Shunyi District, Beijing. Legal representative: Rongshun Huang.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

1 COMPANY PROFILE (CONTINUED)

The Company's business scope includes: Licensed business items: Internet information service business (specific service items are subject to the operation license of telecommunications and information service business). General business items: contracting of computer software and hardware engineering projects; research, development, production, sales, or leasing of computer software, hardware, peripherals, and network products, and technical consulting and technical services related to the above businesses; import and export business; business information and tourism information consulting; professional contracting of items such as system integration, electronic engineering, and airport air traffic control engineering, and terminal building weak electrical system engineering projects. (The Company may independently choose business items and conduct business activities in accordance with the law; any item that need to be approved according to law shall be carried out after acquiring the approval of related administration; any operating activity of the item banned and restricted by Beijing industrial policy may not be conducted.)

The business nature of the Company is: Aviation information technology services.

The industry in which the Company operates is: Other air transportation auxiliary activities.

The Company's main business activities are: The Company provides a full range of services such as air passenger business processing, air travel electronic distribution, airport passenger processing, air cargo data processing, Internet travel platform, international and domestic passenger and cargo revenue management system and application, and agency settlement and clearing for airlines, airports, air ticket sales agents, tourism enterprises and civil aviation-related institutions and international organizations.

The parent company of the Company is China TravelSky Holding Company Limited, and the effective controller of the Company is the State-owned Assets Supervision and Administration Commission of the State Council of China.

The Company and its subsidiaries are hereinafter collectively referred to as the "Group".

The financial statements have been approved by the Company's board of directors on August 21, 2025.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

2 BASIS OF PREPARATION FOR FINANCIAL STATEMENTS

2.1 Basis of preparation

The Company prepares financial statements in accordance with the “Accounting Standards for Business Enterprises — Basic Standards” and all the specific accounting standards, Application Guidance to the Accounting Standards for Business Enterprises, the interpretation of the Accounting Standards for Business Enterprises and other relevant provisions (hereinafter referred to as the “**Accounting Standards for Business Enterprises**”). In addition, the financial statements comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited and with the applicable disclosure requirements of the Hong Kong Companies Ordinance.

2.2 Going concern

The financial statements are prepared on a going concern basis.

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The following contents disclosed have covered the specific accounting policies and accounting estimates formulated according to the characteristics of actual production and business operation by the Company.

3.1 Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements meet the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the consolidated financial position and the parent company’s financial position as at June 30, 2025, and the consolidated operating results and the parent company’s operating results, the consolidated cash flows and the parent company’s cash flows for the period from January 2025 to June 2025.

3.2 Accounting period

The accounting year is from January 1 to December 31 in calendar year.

3.3 Operating cycle

The Company’s operating cycle is 12 months.

3.4 Functional currency

The Company adopts RMB as its functional currency. Subsidiaries of the Company determine their financial statements according to the main economic environment in which they operate. This financial statement is presented in RMB.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.5 Accounting treatment methods for business combinations under common control and not under common control**

Business combination under common control: for the assets and liabilities acquired from business combination by the combining party (including the goodwill formed by the acquisition by the final controller of the combined party), they are measured at book value of assets and liabilities in the consolidated financial statements of the final controller on the combination date. The stock premium in capital reserves is adjusted according to the difference between the book value of net assets acquired through combination and the book value of consideration paid for the combination (or total par value of shares issued). If the stock premium in capital reserves is insufficient to cover the difference, the remaining amount will be charged against retained earnings.

Business combination not under common control: the combination costs are the fair value, on the acquisition date, of any assets acquired, any liabilities incurred or assumed, and any equity securities issued by the acquirer, in exchanges for the right of control over the acquiree. The Company shall recognize the difference of the combination costs in excess of the fair value of the identifiable net assets acquired from the acquiree as goodwill. The Company shall recognize the difference of the combination costs in short of the fair value of the identifiable net assets acquired from the acquiree in the current profit or loss. The identifiable assets, liabilities, and contingent liabilities of the acquiree that are obtained by the acquirer from combination and conform to the recognition criteria shall be measured at the fair value on the acquisition date.

Direct relevant expenses arising from the business combination are included in the current profit or loss upon occurrence. Trading expenses on issuing equity securities or debt securities for the business combination are included in the initially recognized amount of the equity securities or the debt securities.

3.6 Preparation method of consolidated financial statements**3.6.1 Scope of consolidation**

The consolidation scope of consolidated financial statements is determined on the basis of control, covering the Company and all the subsidiaries. Control means the Company has the power over the investee and enjoys the variable return through participating in activities related to the investee, and has the ability to affect the Company's return by using the power over the investee.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.6 Preparation method of consolidated financial statements (Continued)****3.6.2 Procedures for consolidation**

The Company regards the entire enterprise group as an accounting entity and prepares consolidated financial statements in accordance with unified accounting policies to reflect the overall financial status, operating results and cash flow of the enterprise group. The influence of internal transactions between the Company and its subsidiaries or between subsidiaries shall be offset. If internal transactions indicate that the relevant assets have suffered impairment losses, this part of losses shall be confirmed in full. If the accounting policies or accounting periods of a subsidiary are different from those of the Company, the consolidated financial statements of the subsidiary, upon preparation, will be adjusted according to the accounting policies and accounting periods of the Company.

The share of shareholders' equity, current net profit or loss and current comprehensive income of subsidiaries attributable to minority shareholders are respectively and separately presented under the shareholders' equity in the consolidated balance sheet, the net profit in the consolidated income statement, and the total comprehensive income in the consolidated income statement. If the current loss shared by a minority shareholder of a subsidiary exceeds the balances arising from the shares enjoyed by the minority shareholder in the shareholders' equity of the subsidiary at the beginning of the period, minority equity will be written down accordingly.

(1) Increase of subsidiaries or business

During the reporting period, where the Company acquired subsidiaries or business from the business combination under common control, the operating results and cash flows of the newly acquired subsidiaries or business from the beginning of the period for business combination to the end of the reporting period are included in the consolidated financial statements; the beginning amount of the consolidated financial statements and relevant items in the comparative statements are adjusted accordingly, as if the reporting entity after the business combination exists as of the time when the ultimate controller has the control.

Where control can be exercised on the investee under the common control for additional investment or other reasons, equity investments held before the control over the combined party is obtained, the related profits or losses, other comprehensive income as well as other changes in net assets recognized from the later between the date when the original equity is obtained and the date when the acquirer and the acquiree are under common control to the combination date will respectively write down the beginning retained earnings or the current profit or loss during the period for comparing financial statements.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.6 Preparation method of consolidated financial statements (Continued)****3.6.2 Procedures for consolidation (Continued)****(1) Increase of subsidiaries or business (Continued)**

During the reporting period, if the Company acquired subsidiaries or business from the business combination not under common control, all identifiable assets, liabilities and contingent liabilities will be included in the consolidated financial statements from the purchase date based on their fair value determined on purchase date.

Where the Company can control the investee not under common control for additional investments, it shall re-measure equity of the acquiree held before the acquisition date at the fair value of such equity on the acquisition date and include the difference between the fair value and book value in the current investment income. Where equity of the acquiree held before the acquisition date involves in other comprehensive income that can be reclassified into profit or loss and other changes in shareholders' equity accounted for under the equity method shall be transferred to the investment income in the year which the acquisition date falls in.

(2) Disposal of subsidiaries**① General treatment methods**

When the Company losses the control over the investee due to disposal of partial equity investment or other reasons, the remaining equity investment after the disposal should be re-measured by the Company at the fair value thereof on the date of losing the control. The difference of total amount of the consideration from disposal of equities plus the fair value of the remaining equities less the shares calculated at the original shareholding ratio in net assets and goodwill of the original subsidiary which are continuously calculated as of the acquisition date or combination date shall be included in the investment income of the period at the loss of control. Other comprehensive income that will be reclassified into profit or loss later associated with the equity investments of the original subsidiary, or the changes in other shareholders' equity calculated under the equity method, shall be transferred into investment income of the current period when control is lost.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.6 Preparation method of consolidated financial statements (Continued)

3.6.2 Procedures for consolidation (Continued)

(2) Disposal of subsidiaries (Continued)

② Disposal of subsidiaries by stages

If the control is lost due to disposal of the equity investments in subsidiaries through multiple transactions by stages, and the terms, conditions and economic impact of the transactions related to the disposal of equity investments in subsidiaries meet one or more of the following circumstances, it usually indicates that multiple transactions will be treated a package deal:

- i. The transactions are concluded at the same time or under the consideration of mutual effect;
- ii. These transactions as a whole can reach a complete business result;
- iii. The occurrence of a transaction depends on that of other transaction or more;
- iv. A single transaction is uneconomical but it is economical when considered together with other transactions.

Where various transactions belong to a package deal, accounting treatment shall be made by the Company on the transactions as a transaction to dispose subsidiaries and lose the control; the difference between each disposal cost and net asset share in the subsidiaries corresponding to each disposal of investments before loss of the control should be recognized as other comprehensive income in the consolidated financial statements and should be transferred into the current profit or loss at the loss of the control.

Where various transactions do not belong to a package deal, before the loss of the control, accounting treatment shall be made according to the partial disposal of equity investments in the subsidiary without losing control; at the loss of the control, accounting treatment shall be made according to general treatment methods for disposal of subsidiaries.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.6 Preparation method of consolidated financial statements (Continued)****3.6.2 Procedures for consolidation (Continued)****(3) Purchase of minority interest of subsidiaries**

The share premium in the capital reserves under the consolidated balance sheet will be adjusted at the difference between the long-term equity investment acquired by the Company for the purchase of minority interest and the share of net assets calculated constantly from the acquisition date or combination date according to the newly increased shareholding ratio. If the share premium is insufficient to offset, retained earnings will be adjusted.

(4) Partial disposal of equity investments in subsidiaries without losing control

The equity premium of capital reserves in the consolidated balance sheet will be adjusted according to the difference between the disposal price and the share of net assets of subsidiaries calculated from the acquisition date or the combination date corresponding to the disposal of long-term equity investments; if the equity premium of capital reserves is insufficient, the retained earnings will be adjusted.

3.7 Recognition criteria of cash and cash equivalents

Cash refers the Company's cash on hand and the unrestricted deposits. Cash equivalents refer to short-term and highly liquid investments that are readily convertible to known amounts of the cash and which are subject to an insignificant risk of change in value.

3.8 Foreign currency transactions and translation of foreign currency statements**3.8.1 Foreign currency transactions**

Foreign currency transactions are translated into CNY for accounting purpose at the spot exchange rate on the day when the transaction occurs.

The balance of foreign currency items on the balance sheet date are translated at the spot exchange rate on the balance sheet date. Except those arising from specific-purpose borrowings in foreign currencies related to assets eligible for capitalization that shall be measured in accordance with principle of capitalization of the borrowing costs, other exchange differences shall be recognized in profit or loss for the current period.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

**3.8 Foreign currency transactions and translation of foreign currency statements
(Continued)****3.8.2 Translation of foreign currency financial statements**

When the Company measures the foreign currency statements of its overseas business, the assets and liabilities in the balance sheet are translated at the spot exchange rates on the balance sheet date; owners' equity items, except for the item of "undistributed profits", are translated at the spot exchange rates on the date when the business occurs. The income and expenses items in income statements are translated at the spot exchange rate on the day when the transaction occurs.

At the disposal of overseas business, the translation differences of foreign currency statements relating to the overseas business shall be transferred from the owner's equity item to the current profit or loss at disposal.

3.9 Financial instruments

When the Company becomes a party to a financial instrument, it shall recognize a financial asset, financial liability, or equity Instrument.

3.9.1 Classification of financial instruments

According to the business model of financial assets and contractual cash flow characteristics of the same, which are subject to the management of the Company, financial assets are classified at initial recognition as: financial assets measured at the amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss.

Financial assets not designated to be measured at fair value through the current profit or loss in line with the following conditions will be reclassified into the financial assets measured at amortized cost:

- The business model aims to collect contractual cash flows;
- The contract cash flow is only the payment for the principal and the interest based on the outstanding principal amount.

Financial assets not designated to be measured at fair value through profit or loss in line with the following conditions will be reclassified into the financial assets (debt instruments) measured at fair value through other comprehensive income:

- Where the purpose of the business model is to collect contractual cash flows and sell such financial assets;

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.9 Financial instruments (Continued)****3.9.1 Classification of financial instruments (Continued)**

- Contractual cash flow is only the payment for the principal and the interest based on the outstanding principal amount.

At the initial recognition, the Company irrevocably designates the non-trading equity instrument investments as financial assets (equity instruments) measured at fair value through the other comprehensive income. The designation is made based on a single investment and the relevant investment is in line with the definition of the equity instrument from the issuer's perspective.

Except for the financial assets measured at amortized cost and the financial assets measured at fair value through other comprehensive income mentioned above, all the remaining financial assets are classified as financial assets measured at fair value through profit or loss. At the initial recognition, in order to eliminate or obviously reduce accounting mismatch, the Company may irrevocably designate the financial assets that shall be classified to be measured at amortized cost or measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

At the initial recognition, financial liabilities are classified as: financial liabilities measured at fair value through profit or loss and financial liabilities measured at the amortized cost.

3.9.2 Recognition basis and measurement method of financial instruments**(1) Financial assets measured at amortized cost**

Financial assets measured at amortized cost include notes receivable and accounts receivable, other receivables, long-term receivables, and creditors' investment, etc., of which initial measurement is made at fair value, and relevant transaction costs are included in the initially recognized amount; exclude accounts receivable with significant financing component and accounts receivable with the financing component not exceeding one year and not considered by the Company, of which initial measurement is made at the contract transaction price.

During the holding period, the interest calculated with the effective interest method should be included in the current profit or loss.

At recovery or disposal, the difference between the purchase price obtained and the book value of such financial assets is included in the current profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.9 Financial instruments (Continued)

3.9.2 Recognition basis and measurement method of financial instruments (Continued)

(2) *Financial assets (debt instruments) measured at fair value through the other comprehensive income*

Financial assets (debt instruments) measured at fair value through the other comprehensive income include receivables financing and other creditors' investment, of which initial measurement is made at fair value, and relevant transaction costs are included in the initially recognized amount. The subsequent measurement of such financial assets is made at fair value. Changes in fair value are included in other comprehensive income except for the interest calculated by the effective interest method, impairment losses or reversal, and exchange gains or losses.

At derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred from the other comprehensive income to the current profit or loss.

(3) *Financial assets (equity instruments) measured at fair value through other comprehensive income*

Financial assets (equity instruments) measured at fair value through other comprehensive income, including the investment in other equity instruments, are initially measured at fair value, and relevant transaction costs are included in the initially recognized amount. The subsequent measurement of such financial assets is made at fair value, and the changes in fair value are included in other comprehensive income. The dividends obtained are included in the current profit or loss.

At derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred from the other comprehensive income to the retained earnings.

(4) *Financial assets measured at fair value through profit or loss*

Financial assets measured at fair value through profit or loss include trading financial assets, derivative financial assets and other non-current financial assets, of which initial measurement is made at fair value, and relevant transaction costs are included in the current profit or loss. The subsequent measurement of such financial assets is made at fair value, and changes in fair value are included in the current profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.9 Financial instruments (Continued)****3.9.2 Recognition basis and measurement method of financial instruments (Continued)****(5) Financial liabilities measured at fair value through profit or loss**

Financial liabilities measured at fair value through profit or loss include trading financial liabilities and derivative financial liabilities, of which initial measurement is made at fair value, and relevant transaction costs are included in the current profit or loss. The subsequent measurement of such financial liabilities is made at fair value, and changes in fair value are included in the current profit or loss.

At derecognition, the difference between the book value and the consideration paid of such financial liabilities is included in the current profit or loss.

(6) Financial liabilities measured at amortized cost

Financial liabilities measured at the amortized cost include short-term borrowings, notes payable and accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, of which initial measurement is made at fair value, and related transaction costs are included in the initially recognized amount.

During the holding period, the interest calculated by the effective interest method is included in the current profit or loss.

At derecognition, the difference between the consideration paid and the book value of such financial liabilities is included in the current profit or loss.

3.9.3 Derecognition and transfer of financial assets

Where one of the following conditions is met, the Company shall derecognize financial assets:

- The contractual right of collecting cash flows of financial assets is terminated;
- The financial assets have been transferred, and nearly all of the risks and rewards related to the ownership of the financial assets have been transferred to the transferee;
- The financial assets have been transferred, and the Company does not retain the control over the financial assets through it has neither transferred nor retained nearly all risks and rewards related to the ownership of the financial assets.

When the Company modifies or renegotiates a contract with a counterparty and the modification constitutes a material change, the original financial asset is derecognized and a new financial asset is recognized in accordance with the modified terms.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.9 Financial instruments (Continued)

3.9.3 Derecognition and transfer of financial assets (Continued)

At the transfer of financial assets, where nearly all the risks and rewards related to the ownership of the financial assets have been retained, such financial assets shall not be derecognized.

In determining whether the transfer of a financial asset meets the above derecognition criteria of financial assets, the principle of substance over form will be adopted.

The Company divides the transfer of financial assets into overall transfer and partial transfer. Where the entire transfer of financial assets meets the derecognition conditions, the difference of the following two amounts is included in the current profit or loss:

- (1) The book value of the transferred financial asset;
- (2) The sum of consideration received from the transfer, and the accumulated change amount of fair value originally recorded in shareholders' equity (the financial assets involved in the transfer are financial assets (debt instruments) measured at fair value through the other comprehensive income).

Where the partial transfer of a financial asset meets the derecognition criteria, the entire book value of the financial asset transferred shall be allocated between the derecognized part and the recognized part based on the relative fair value, and the difference between the following two amounts shall be included in the current profit or loss:

- (1) The book value of derecognized part;
- (2) The sum of the consideration for the derecognized part and the amount corresponding to the de-recognition part in the accumulated change amount of fair value originally and directly included in shareholders' equity (where the financial assets transferred are the financial assets (debt instruments) measured at fair value through the other comprehensive income).

Where the transfer of financial assets does not meet the derecognition criteria, the financial assets shall continue to be recognized, and the consideration received shall be recognized as a financial liability.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.9 Financial instruments (Continued)****3.9.4 Derecognition of financial liabilities**

Where the present obligations of financial liabilities have been discharged in whole or in part, the financial liabilities or any part thereof shall be derecognized; if the Company signs an agreement with creditors to replace the existing financial liabilities by undertaking new financial liabilities, and the new financial liabilities are substantially different from the existing ones in terms of contract terms, the existing financial liabilities shall be derecognized, and at the same time, the new financial liabilities shall be recognized.

Where substantive changes are made to the contract terms of existing financial liabilities in whole or in part, the existing financial liabilities shall be derecognized in whole or in part, and the financial liabilities of which terms have been modified shall be recognized as the new financial liabilities.

Where financial liabilities are derecognized in whole or in part, the difference between the book value of the financial liabilities derecognized and the consideration paid (including non-cash assets surrendered and the new financial liabilities assumed) shall be included in current profit or loss.

Where the Company redeems part of its financial liabilities, it shall, on the redemption date, allocate the entire book value of whole financial liabilities according to the comparative fair value of the part that continues to be recognized and the derecognized part. The difference between the book value allocated to the derecognized part and the considerations paid (including non-cash assets surrendered and the new financial liabilities assumed) shall be included in the current profit or loss.

3.9.5 Recognition methods of the fair value of financial assets and financial liabilities

As for the financial instruments for which there is an active market, the quoted prices in the active market shall be used to determine the fair values thereof. Where there is no active market for a financial instrument, the valuation techniques shall be adopted to determine its fair value. At the time of valuation, the Company shall adopt the valuation technique that is applicable to the current circumstance and is supported by sufficient available data and other information to select the input values consistent with the assets or liabilities characteristics that are considered by market participants in transactions of relevant assets and liabilities and shall give priority in use of observable input values. And the unobservable input values may be used only when the observable input values are unable or impractical to be obtained.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.9 Financial instruments (Continued)

3.9.6 Test method and accounting treatment of impairment of financial assets

The Company estimates the expected credit loss of financial assets measured at the amortized cost, financial assets (debt instruments) measured at fair value through the other comprehensive income and financial guarantee contract individually or in portfolio.

By considering such reasonable and well-founded information as relevant matters in the past, current conditions and prediction of future economic conditions, the Company calculates the probability weighted amount, weighted by default risk, of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, to determine the expected credit loss.

For receivables and contract assets arising from the transactions specified in the Accounting Standards for Business Enterprises No. 14 — Revenue, whether or not they contain significant financing components, the Company always makes the provision for credit loss at the amount equivalent to the expected credit loss over the whole duration.

For lease receivables arising from the transactions specified in the Accounting Standards for Business Enterprises No. 21 — Leases, the Company always makes the provision for credit loss at the amount equivalent to the expected credit loss over the whole duration.

For other financial instruments, the Company assesses at each balance sheet date the changes in credit risk of the relevant financial instruments since initial recognition.

By comparing the default risk in financial instruments on the balance sheet date with the default risk in financial instruments on the initial recognition date, the Company determines the relative change in default risk in financial instruments during the estimated duration to assess whether the credit risk of financial instruments has greatly increased following the initial recognition of such financial instruments. Generally, once the period is overdue for over 30 days, the Company may consider that there is obvious increase in credit risk of such financial instrument, unless there is unambiguous evidence that there is no obvious increase in credit risk of such financial instrument following the initial recognition.

If the credit risk of the financial instrument is low on the balance sheet date, the Company will immediately consider that there is no obvious increase in credit risk of such financial instrument following the initial recognition.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.9 Financial instruments (Continued)****3.9.6 Test method and accounting treatment of impairment of financial assets (Continued)**

If there is obvious increase in credit risk following the initial recognition of such financial instrument, the Company will measure the loss provision at the amount which is equivalent to the amount of the expected credit loss over the entire duration of such financial instrument; if there is no obvious increase in credit risk following the initial recognition of such financial instrument, the Company will measure the loss provision at the amount which is equivalent to the amount of the expected credit loss within 12 months in the future of such financial instrument. Amount increased or reversed of loss provision arising therefrom will be included in the current profit or loss as impairment loss or gain. For financial assets (debt instruments) at fair value through other comprehensive income, a provision for impairment is recognized in other comprehensive income, and the impairment loss or gain is recognized in profit or loss and does not reduce the carrying amount of the financial asset as stated in the balance sheet.

The Company combines the accounts receivable and contract assets according to similar credit risk characteristics and based on forward-looking information and all other reasonable and reliable information, estimates the proportion of provision for bad debts of accounts receivable as follows:

Determination basis of portfolio	Portfolio analysis method
Portfolio of receivables from related parties	For the accounts receivable from related parties (including the open accounts with the shareholder company, the open accounts between the parent company and the subsidiaries or between subsidiaries), in principle, no provision for bad debts shall be made. However, if there is conclusive evidence that the debt unit of the related party has been revoked, bankrupt, insolvent, and the cash flow is seriously insufficient, and the receivables will not be recovered by debt restructuring or other means, the corresponding provision for bad debts shall be accrued according to the estimated possible losses from bad debts, and the provision for bad debts may also be accrued for all the receivables from related parties that are estimated to be unrecoverable.
Portfolio of receivables from third parties	Based on the experience of historical credit losses, the Group adopts a simplified method to calculate the expected credit losses by using the reserve matrix for the expected credit losses of the whole duration.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.9 Financial instruments (Continued)

3.9.6 Test method and accounting treatment of impairment of financial assets (Continued)

The measurement of provision for impairment loss on other receivables is conducted in accordance with the measurement method of impairment loss on the aforesaid financial assets (excluding accounts receivables).

The balance of other receivables mainly includes: The payment by the Company's wholly owned subsidiary, Accounting Center of China Aviation paid on behalf of airlines for the settlement and clearing services provided to them, and the principal of the factoring of accounts receivable collected by Antu Jinxin Commercial Factoring Co., Ltd., a subsidiary of Accounting Center of China Aviation. As these accounts are within the normal collection period, and from experience observations, no credit risk has occurred, or the borrower has strong financial support to repay the funds in the short term. Hence, they are treated low credit risk and no expected credit loss is accrued.

For various types of margin, deposit and reserve borrowings, in principle, no provision for bad debts is made. However, if there is conclusive evidence that bad debts have been formed, corresponding bad debt provisions will be made based on the estimated bad debt losses that may occur.

If the Company no longer reasonably expects that the contractual cash flow of the financial asset can be fully or partially recovered, the book balance of the financial asset will be directly written down.

3.10 Inventories

3.10.1 Classification and cost of inventories

Inventories are classified as: raw materials, low-cost consumables, stock commodities, goods dispatched, contract performance cost, contract acquisition cost, etc.

Inventories are initially measured at cost, and the inventory cost includes the procurement cost, processing cost and other expenses arising from making the inventory at their present location and condition.

3.10.2 Measurement method of dispatched inventories

The dispatched inventories are measured by individual identification method.

3.10.3 Inventory system

Perpetual inventory system is adopted.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.10 Inventories (Continued)****3.10.4 Amortization methods for low-cost consumables and packaging materials**

- (1) One-off write-off method is adopted for low-cost consumables;
- (2) The revolving packaging materials are included in the cost according to the expected number of times of use.

3.10.5 Recognition basis of net realizable value of different types of inventories

On the balance sheet date, inventories shall be measured at the cost or the net realizable value, whichever is lower. Where the inventory cost is higher than its realizable value, the provision for inventory impairment shall be made. During routine activities, net realizable values of inventories refer to the amounts of the estimated selling prices of inventories minus the estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

Net realizable values of merchandise inventories held directly for sale, such as finished goods, stock commodities, and available-for-sale materials, are measured at the estimated selling prices less estimated sales expenses and relevant taxes and surcharges in the normal production process; net realizable values of material inventories which need further processing are measured at the estimated selling prices less the estimated costs of completion, estimated sales expenses and relevant taxes and surcharges in the normal production process; net realizable values of inventories held for the purpose of fulfillment of sales contracts or service contracts are calculated on the basis of the contract prices; if the quantity of inventories held exceeds that stated in the contract, the net realizable values of the excessive part are calculated on the basis of normal selling prices.

When the provision for inventory impairment is made, where the previous factor rendering the write-down of the inventory value has been eliminated, for which the net realizable value of the inventory is higher than the book value of the same, the provision for inventory impairment shall be reversed from the amount of provision for inventory impairment originally made, and the reversed amount shall be included in the current profit or loss.

3.11 Contract assets**3.11.1 Recognition method and criteria for contract assets**

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance of fulfillment obligations and customer payments. The right of the Company to the charge of consideration via goods transfer or service rendering to the customer (and the right depends on other factors except for the time lapses) is presented as contract asset. Contractual assets and contractual liabilities under the same contract shall be presented at net amount. The unconditional (only depending on the time lapses) right to the charge of consideration from the customer, possessed by the Company, is presented as receivables.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.11 Contract assets (Continued)

3.11.2 Determination method and accounting treatment for the expected credit loss of contract assets

See “3.9.6 Test method and accounting treatment of depreciation of financial assets”, for the determination method and accounting treatment for the expected credit loss of contract assets.

3.12 Assets held for sale and discontinued operation

3.12.1 Assets held for sale

Where the Company recovers the book value of any non-current asset or disposed asset portfolio mainly through selling (including the exchange of non-monetary assets with commercial essence) but not continuously using the same, such non-current asset or disposed asset portfolio shall be divided into assets held for sale.

The Company recognizes non-current assets or disposed asset portfolios meeting the following conditions at the same time as assets held for sale:

- (1) According to the general practice for selling such kind of asset or disposed asset portfolio in the similar transaction, the asset or portfolio can be immediately sold in the prevailing circumstance;
- (2) The sale of the asset or portfolio is very likely to happen, which means that the Company has made a resolution for one selling plan and has acquired the decided purchase commitment, and it is estimated that the sale will be completed within one year. Where the sale is subject to the approval of relevant authorities or regulatory authorities of the Company according to relevant provisions, the approval has been obtained.

For any non-current asset (excluding financial assets, deferred tax assets) or disposed asset portfolio classified assets as held for sale, where its book value is higher than the net amount of its fair value less the selling expense, the book value shall be written down to the net amount of the fair value less the selling expense, and the amount written down shall be recognized as the losses from asset impairment and included in the current profit or loss, while the provision for impairment of assets held for sale is made.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.12 Assets held for sale and discontinued operation (Continued)****3.12.2 Discontinued operation**

A discontinued operation is a separately distinguishable component that meets one of the following conditions and that has been disposed of by the Company or classified by the Company as held for sale:

- (1) The component represents a separate major operation or a separate major operating area;
- (2) The component is part of a related plan for the proposed disposition of a separate principal business or a separate principal operating area;
- (3) The component is a subsidiary acquired exclusively for resale.

Gains and losses from continuing operations and gains and losses from discontinued operations are presented separately in the income statement. Operating gains and losses, such as impairment losses and reversal amount for discontinued operations, as well as gains and losses on disposals, are presented as gains and losses from discontinued operations. For discontinued operations reported in the current period, the Company restates the information that was previously reported as profit or loss from continuing operations as profit or loss from discontinued operations for the comparable accounting period in the financial statements of current period.

3.13 Long-term equity investments**3.13.1 Judgment criteria for joint control and significant influence**

Joint control refers to the control shared over an arrangement in accordance with the relevant stipulations, and the decision-making of related activities of the arrangement should not be made before the party sharing the control right agrees the same. Where the Company exercises common control over the investee together with other parties to the joint venture and enjoys the right on the investee's net assets, the investee is a joint venture of the Company.

Significant influence, refers to the power to participate in making decisions on the financial and operating policies of the investee, but not the power to control or jointly control the formulation of such policies with other parties. Where the Company is able to exert significant influence over the investee, the investee is its associate.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.13 Long-term equity investments (Continued)

3.13.2 Determination of initial investment cost

(1) Long-term equity investment acquired from business combination

For the long-term equity investments in subsidiaries formed by the business combination under common control, the share of book value of its shareholders' equity in the combine in the consolidated financial statements of the ultimate controller shall be recognized, on the combination date, as the initial cost of the long-term equity investment. If there is a difference between the initial investment cost of the long-term equity investment and the book values of the paid consideration, the difference shall be used to adjust the share premium in the capital reserve; and if the share premium in the capital reserve is insufficient to be offset, retained earnings shall be adjusted.

For the long-term equity investments in subsidiaries formed by the business combination not under common control, the Company recognizes the combination cost determined on the combination date as the initial investment cost of long-term equity investments.

(2) Long-term equity investment acquired by means other than business combination

For long-term equity investments acquired through making payments in cash, its initial investment cost is the actually paid purchase cost.

For long-term equity investments acquired from issuance of equity securities, its initial investment cost is the fair value of the issued equity securities.

3.13.3 Subsequent measurement and recognition of profits or losses

(1) Long-term equity investments accounted for under the cost method

Long-term equity investments of the Company in its subsidiaries are accounted for under the cost method unless such investments meet the conditions of holding for sale. Under the cost method, except for the actual price paid for acquisition of investment or the cash dividends or profits contained in the consideration which have been declared but not yet distributed, the Company recognizes the proportion it shall enjoy in the cash dividends or profits declared by the investee as its investment income.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.13 Long-term equity investments (Continued)****3.13.3 Subsequent measurement and recognition of profits or losses (Continued)****(2) Long-term equity investments accounted for under equity method**

Long-term equity investments in associates and joint ventures are accounted for under the equity method. If the initial investment cost is in excess of the share of fair value of the net identifiable assets in the investee when the investment is made, the difference will not be adjusted to the initial cost of long-term equity investment; if the initial investment cost is in short of the share of the fair value of the net identifiable assets in the investee when the investment is made, the difference will be included in the current profit or loss, and will be adjusted to the initial cost of long-term equity investment.

The Company shall, based on its attributable share of the net profit or loss and other comprehensive income realized by the investee, respectively recognize the investment income and other comprehensive income, and simultaneously adjust the book value of the long-term equity investment. The Company shall, in the light of the profits or cash dividends that the investee declares to distribute, reduce the book value of the long-term equity investment correspondingly. As to other changes in shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit distribution (hereinafter referred to as "**Other Changes in shareholders' Equity**"), the Company shall adjust the book value of the long-term equity investment and include such change in the shareholders' equity.

The Company shall, based on the fair value of net identifiable assets of the investee when the investment is made, recognize its attributable share of the net profits or losses, other comprehensive income, and other changes in shareholders' equity of the investee after the adjustment made to the net profit and other comprehensive income of the investee according to the accounting policies and accounting period adopted by the Company.

The Company calculates its attributable but not realized profit or loss from internal transactions between the Company and its associates or joint ventures based on its attributable percentage and offset such profit or loss and recognizes the investment income on that basis; however, businesses formed by assets invested or sold are excluded. Unrealized losses from internal transactions between the Company and any investee shall be recognized in full if they belong to the losses from asset impairment.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.13 Long-term equity investments (Continued)

3.13.3 Subsequent measurement and recognition of profits or losses (Continued)

(2) Long-term equity investments accounted for under equity method (Continued)

For net losses on joint ventures or associates, apart from the obligation of assuming the extra loss, the Company shall write down such losses with the book value of long-term equity investments and the long-term equity where net investments in joint ventures or associates have been formed substantially; and the maximum of such losses shall be the sum of the book value and long-term equity mentioned above. Where any joint venture or associate realize net profit in the future, the Company shall recognize the income sharing amount when the unrecognized loss sharing amount is offset with the income sharing amount.

(3) Disposal of long-term equity investments

For disposal of long-term equity investments, the difference between the book value and the actual price shall be included in the current investment income.

For long-term equity investments with partial disposal accounting by the equity method, where the remaining equity is still accounted for by the equity method, other comprehensive income recognized originally upon the accounting by the equity method shall be carried forward at the corresponding proportion on the basis same with that for the direct disposal of relevant assets or liabilities by the investee, and other changes in shareholders' equity shall be carried forward to the current profit or loss in proportion.

Where the Company loses the common control over or significant influence on the investee on account of the disposal of equity investment and any other reason, when the accounting by the equity method is terminated, other comprehensive income recognized upon the accounting by the equity method from the original equity investment shall be subject to the accounting treatment which is made on the basis same with that for the direct disposal of relevant assets or liabilities by the investee, and other changes in shareholders' equity shall be transferred to the current profit or loss in full.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.13 Long-term equity investments (Continued)****3.13.3 Subsequent measurement and recognition of profits or losses (Continued)****(3) Disposal of long-term equity investments (Continued)**

Where the Company loses the control over the investee on account of the disposal of partial equity and any other reason, at the preparation of any single financial statements, if the remaining equity has the common control over or significant influence on the investee, the accounting shall be made by the equity method, and an adjustment shall be made as if the remaining equity was accounted for by the equity method at acquisition; other comprehensive income recognized before the control over the investee is obtained shall be carried forward on the basis same with that for the direct disposal of relevant assets or liabilities by the investee, and other changes in shareholders' equity recognized on account of the accounting by the equity method shall be carried forward to the current profit or loss in proportion; if the remaining equity has no common control over or significant influence on the investee, relevant financial assets shall be recognized, the difference between the fair value on the day of losing control of such remaining equity and the book value of the same shall be included in the current profit or loss, and other comprehensive income and other changes in shareholders' equity which have been recognized before the control over the investee is obtained shall be carried forward in full.

Where the disposal of subsidiaries' equity investments till the loss of control by stages through multiple transactions belongs to a package deal, the accounting treatment shall be made by taking each transaction as the transaction where the subsidiaries' equity investments are disposed and the corresponding control is lost; before the loss of control, the difference between the disposal price and the book value of the long-term equity investment corresponding to the equity disposed shall be firstly recognized as other comprehensive income in the individual financial statements, and at the loss of control, all transferred to the profit or loss for the period when the control is lost. Where the aforesaid disposal does not belong to a package deal, the accounting treatment shall be made respectively for each transaction.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.14 Investment properties**

Investment property is the property to earn rentals or for capital appreciation or both. Examples include leased land use right, land use right held for transfer upon appreciation, and leased building, (including buildings that have been constructed or developed for future lease out under operating leases, and buildings that are being constructed or developed for future lease out under operating leases).

Subsequent expenditures related to investment properties are included in the costs of investment properties when relevant economic benefits are likely to flow in the Company and their costs can be measured reliably; otherwise, such subsequent expenditures shall be included in the current profit or loss when occur.

The Company measures its existing investment property by using the cost model. For investment properties measured using the cost method — a building used for rental is subject to Company's depreciation policy for fixed assets, and the land use right used for rental is subject to the amortization policy for intangible assets.

3.15 Fixed assets**3.15.1 Recognition criteria of fixed assets**

Fixed assets refer to tangible assets held for commodity production, rendering of services, renting or business management, with the useful lives over one year. Fixed assets are recognized when they simultaneously meet the following conditions:

- (1) It is probable that the economic benefits relating to the fixed assets will flow into the Company; and
- (2) The costs of the fixed assets can be measured reliably.

The initial measurement of fixed assets is made at cost (and by taking the impact of expected disposal costs).

The subsequent expenditures relating to fixed assets are included in the costs of fixed assets when relevant economic benefits are likely to flow in the Company and their costs can be measured reliably; as for the party replaced, the book value thereof is derecognized; all other subsequent expenditures are included in the current profit or loss when they occur.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.15 Fixed assets (Continued)****3.15.2 Depreciation method**

The provision for depreciation of fixed assets is made by the straight-line method by category. The depreciation rate is determined based on the category, estimated useful life and estimated net residual value rate of fixed assets. For fixed assets where the provision for impairment has been made, the depreciation amount in the future will be determined at the book value of the fixed assets where the provision for impairment has been deducted, based on the remaining useful life. Where the fixed assets have the components with different useful lives or bring economic benefits for the enterprise in different ways, then the Company should choose different depreciation rates or methods to separately make the provision for depreciation.

The depreciation life, residual value rates and annual depreciation rates of fixed assets are presented by category as follows:

Category	Depreciation life (Years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings and constructions	10–35	3.00	2.77–9.70
Transportation facilities	5–10	3.00	9.70–19.40
Machinery equipment	3–10	3.00	9.70–32.33
Electronic equipment	3–11	3.00	8.82–32.33
Office equipment	3–9	3.00	10.78–32.33
Others	2–9	3.00	10.78–48.50

3.15.3 Disposal of fixed assets

When the fixed assets are disposed, or they are expected not to bring any economic interest via use or disposal, such fixed assets will be derecognized. When the fixed asset is sold, transferred, scrapped or damaged, the Company will include such disposal revenue, deducting the book value and related taxes and surcharges thereof, in the current profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.16 Construction in progress

Construction in progress is measured at the actual cost incurred. The actual costs include building costs, installation costs, borrowing costs eligible for capitalization and other necessary expenditures to make the construction in progress achieve the working condition for its intended use. Constructions in progress are transferred to fixed assets when they reach the condition for its intended use, and the provision of depreciation will be provided since the next month. The standards and timing for transferring the company's construction-in-progress to fixed assets are as follows:

The physical construction (including installation) of the fixed asset has been completed or substantially completed.

The amount of expenditure on fixed assets for this construction is very small or almost no longer occurs.

3.17 Borrowing costs

3.17.1 Recognition criteria of capitalization of borrowing costs

The borrowing costs incurred to the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalization should be capitalized and recorded into asset costs; other borrowing costs should be recognized as costs according to the amount incurred and be included into the current profit or loss.

Assets eligible for capitalization refer to fixed assets, investment property, inventories and other assets which may reach their intended use or sale status only after long-time acquisition and construction or production activities.

3.17.2 Capitalization period for borrowing costs

Capitalization period refers to the period from the beginning of capitalization to the cease of capitalization, excluding the period of capitalization suspension of borrowing costs.

Borrowing costs may be capitalized only when all the following conditions are met:

- (1) Asset expenses, which include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization, have already been incurred;
- (2) Borrowing costs have already been incurred;
- (3) The acquisition and construction or production activities which are necessary to prepare the assets for their intended use or sale have already been started.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.17 Borrowing costs (Continued)****3.17.2 Capitalization period for borrowing costs (Continued)**

Capitalization of borrowing costs should be ceased when the acquired and constructed or produced assets eligible for capitalization have reached their intended use or sale status.

3.17.3 Period of capitalization suspension

If the acquisition and construction or production activities of assets eligible for capitalization are abnormally interrupted and such condition lasts for more than three months, the capitalization of borrowing costs should be suspended; if the interruption is necessary procedures for the acquired, the constructed or produced assets eligible for capitalization to reach the working conditions for its intended use or sale, the borrowing costs continue to be capitalized. Borrowing costs incurred during the interruption are recognized as the current profit or loss and continue to be capitalized until the acquisition, construction or production of the assets restarts.

3.17.4 Measurement of capitalization rate and capitalized amounts of borrowing costs

As for special borrowings borrowed for acquiring and constructing or producing assets eligible for capitalization, borrowing costs of special borrowing actually incurred in the current period less the interest income of the borrowings unused and deposited in bank or return on temporary investment should be recognized as the capitalization amount of borrowing costs.

As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the amount of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the capitalization rate of used general borrowings. The capitalization rate is calculated by weighted average interest rate of general borrowings.

During the capitalization period, exchange differences of principal and interest on foreign currency special borrowings shall be capitalized and included in the cost of assets eligible for capitalization. Exchange differences arising from the principal and interest on foreign currency borrowings other than foreign currency special borrowings are recognized in the current profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.18 Intangible assets

3.18.1 Measurement of intangible assets

(1) The Company initially measures intangible assets at cost on acquisition

The costs of externally acquired intangible assets comprise their purchase prices, related taxes and surcharges and any other directly attributable expenditure incurred to prepare the assets for their intended use.

(2) Subsequent measurement

The useful lives of the intangible assets are analyzed and determined on acquisition.

As for intangible assets with limited useful life, straight-line amortization method is adopted in the period when the intangible assets generate economic benefit for enterprise; if the period when the intangible assets generate economic benefit for enterprise cannot be forecasted, the intangible assets should be deemed as those with indefinite useful life and should not be amortized.

3.18.2 Estimate of the useful life of the intangible assets with definite useful lives

Item	Estimated useful live	Amortization method	Residual rate (%)	Basis
Data resources	3-5 years	Straight-line	0.00	Period of benefit
Land use rights	40-50 years	Straight-line	0.00	Useful life
Software	3-5 years	Straight-line	0.00	Period of benefit
Non-patented technology	5 years	Straight-line	0.00	Period of benefit

3.18.3 Determination basis and procedure for review of useful life for intangible assets with indefinite useful life

As at the balance sheet date, the Group has no intangible assets with indefinite useful lives.

3.18.4 Scope of collection of research and development expenditures

Expenditures incurred by the Company during the research and development process include relevant employee salaries, consumed materials, related depreciation and amortization expenses and other related expenses for personnel engaged in research and development activities.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.18 Intangible assets (Continued)****3.18.5 Specific criteria for classifying research and development stages**

The Company's expenses for its internal research and development projects are classified into research expenses and development expenses.

Research stage: Research stage is the stage when creative and planned investigation and research activities are conducted to acquire and understand new scientific or technological knowledge.

Development stage: Development stage is the stage when the research achievements and other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

3.18.6 Criteria for capitalization of development expenditures

The research expenditure is included in the current profit or loss when it occurs. The development expenditure is recognized as intangible assets when it meets the following conditions at the same time, and is included in the current profit or loss when it fails to meet the following conditions:

- (1) It is feasible technically to finish intangible assets for use or sale;
- (2) It is intended to finish and use or sell the intangible asset;
- (3) The ways how the intangible assets generate economic benefits include the way where it is able to prove that the products made by using the intangible assets exist a market or that the intangible assets themselves have the market, and the way where the serviceability of the intangible assets can be proved in case they are used internally;
- (4) It is able to finish the development of the intangible assets and to use or sell the same with the support of sufficient technologies, financial resources and other resources;
- (5) The expenditure attributable to the intangible assets during its development phase can be measured reliably.

If the research expenditure and development expenditure are indistinguishable, all research and development expenditures incurred will be included in the current profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.19 Long-term assets impairment**

Where there are indications of impairment on long-term equity investments, investment property measured with cost model, fixed assets, construction in progress, intangible assets with definite useful lives, productive biological assets and other long-term assets at the end of the reporting period, impairment test should be made. Where the result of the impairment test shows that the recoverable amount of the asset is lower than its book value, the provision for impairment shall be made based on the differences and included in impairment loss. The recoverable amounts of intangible assets are the higher of their fair values less costs to sell and the present values of the future cash flows expected to be derived from the assets. Provision for impairment of fixed assets is made on individual asset basis. If it is difficult to estimate the recoverable amount of the individual asset, the Company shall estimate the recoverable amount of the asset portfolio that the individual asset belongs to. The asset group is the minimum asset group that can independently generate the cash inflow.

For goodwill resulting from business combinations, intangible assets with uncertain useful lives, and intangible assets that have not yet reached serviceable condition, regardless of whether there are signs of impairment, at least at the end of each year, the impairment test is carried out at the end of each year.

The Company conducts goodwill impairment tests and apportions the carrying amount of goodwill resulting from business combinations to the relevant asset groups in a reasonable manner from the date of purchase; if it is difficult to allocate to related asset groups, it will be allocated to the related asset group combination. The associated asset group or combination of asset groups is the asset group or combination of asset groups that can benefit from the synergies of the business combination.

When conducting an impairment test on a group or combination of assets containing goodwill, if there are signs of impairment in the asset group or portfolio of asset groups related to goodwill, the impairment test is first carried out on the asset group or asset group combination that does not contain goodwill, the recoverable amount is calculated, and the corresponding impairment loss is recognized by comparing it with the relevant carrying value. Then, the impairment test is carried out on the asset group or asset group combination containing goodwill, and the carrying amount is compared with the recoverable amount, if the recoverable amount is lower than the book value, the amount of impairment loss is first offset against the carrying value of the goodwill allocated to the asset group or asset group combination, and then the carrying value of the other assets is proportionally offset according to the proportion of the carrying value of the assets other than goodwill in the asset group or asset group combination.

The losses from impairment of the above assets cannot be reversed in subsequent accounting periods once recognized.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.20 Long-term deferred expenses**

Long-term deferred expenses refer to various expenses which have been already incurred but will be borne in current and future reporting periods with an amortization period of over one year.

3.21 Contract liabilities

According to the relationship between the performance of obligations and the customer payment, the Company presents contract assets or contract liabilities in the balance sheet. The Company's obligations in transferring goods or rendering services to customers on the ground that it has received or will receive relevant considerations from these customers are presented as contract liabilities. Contractual assets and contractual liabilities under the same contract should be presented at net amount.

3.22 Employee benefits**3.22.1 Accounting treatment of short-term compensation**

During the accounting period when employees serve the Company, the actual short-term compensation is recognized as liabilities and included in current profit or loss or costs associated with assets.

The social insurance premiums and the housing provident fund paid by the Company for its employees, together with the labor union expenditures and employee education fund drew as required are used to calculate and determine the relevant employee compensation amount based on the prescribed accrual basis and accrual proportion during the accounting period in which the employees provide services to the Company.

The employee welfare occurring in the Company shall be include in the current profit or loss or the related asset costs according to the actual amount when actually occurring, among them, non-monetary benefits are measured at the fair value.

3.22.2 Accounting treatment of post-employment benefits**(1) Defined contribution plan**

The Company pays the basic endowment insurance premiums and unemployment insurance for employees according to the relevant provisions of the local governments. During the accounting period when employees serve the Company, the paid amount which is calculated based on the payment base and proportion as stipulated in the provisions of the local place is recognized as liabilities and included in current profit or loss or related asset costs. In addition, the Company also participates in the enterprise annuity plans/supplementary pension funds approved by the relevant state authorities. The Company makes payments to the annuity plans or local social insurance institutions in a certain proportion to the total employee wage, with corresponding expenses included in the current profit or loss or related asset costs.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.22 Employee benefits (Continued)**3.22.2 Accounting treatment of post-employment benefits (Continued)****(2) Defined benefit plans**

According to the formula determined based on expected cumulative unit method, the Company will set the period that the welfare obligations deriving from the defined benefit plan, which will be included in current profit or loss or assets-related cost.

A net liability or net asset in connection with the defined benefit plan is recognized at the present value of the obligation under the defined benefit plan less the deficit or surplus arising out of the fair value of the assets under the defined benefit plan. For a surplus of defined benefit plans, the Company should measure the net asset of such defined benefit plans at the lower of the surplus of such defined benefit plans and asset upper limit thereof.

Obligations under the defined benefit plan, including the payment obligation that is expected to be done within 12 months following the annual reporting period when the employees serve for the Company, are discounted at the market yield of the national debt matching with the obligatory term of the defined benefit plan and the currency on the balance sheet date or the bonds of the high-quality companies in the active market.

The service costs of the defined benefit plan and net interest on the net liabilities or net assets in respect of the defined benefit plan are included in the current profit or loss or assets-related costs; changes in the re-measurement of net liabilities or net assets under the defined benefit plans should be included in other comprehensive income and should not be reversed in subsequent accounting periods. When the original defined benefit plan terminates, the portion originally included in other comprehensive income will all be transferred to the undistributed profits.

For the settlement of the defined benefit plan, the balance between the present value and the settlement price in regard to the defined benefit plan confirmed on the settlement date is recognized and settled as gains or losses.

3.22.3 Accounting treatment of dismissal benefits

Where the Company provides dismissal welfare to employees, employee benefits incurred from dismissal benefits are recognized as liabilities and recorded into the current profit and loss at the earlier date of: when the Company is unable to unilaterally withdraw the dismissal benefits provided in the plan on the cancellation of labor relationship or the layoff proposal; when the Company recognizes the cost related to restructuring concerning payment of dismissal benefits.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.23 Estimated liabilities**

When an obligation relating to a contingency meets all the following conditions at the same time, it will be recognized as an estimated liability by the Company:

- (1) Such obligation is a present obligation of the Company;
- (2) The performance of such obligation is likely to result in outflow of economic benefits from the Company;
- (3) The amount of the obligation can be measured reliably.

Estimated liabilities of the Company are initially measured as the best estimate of expenses required for the performance of relevant present obligations.

When determining the best estimates, the Company comprehensively considers the risks, uncertainties, time value of money, and other factors relating to the contingencies. If the time value of money is significant, the best estimates shall be determined after discount of relevant future cash outflows.

If there is continuous range for the necessary expenses, and probabilities of occurrence of all the outcomes within this range are equal, the best estimate will be determined at the intermediate value; in other cases, the best estimate is subject to the treatment for the following circumstances:

- If contingencies are involved with single project, the estimate will be determined based on the amount which is most likely to occur.
- If contingencies are involved with several projects, the estimate will be determined based on various possible results and relevant probabilities.

If all or part of the expenses necessary for liquidating estimated liabilities are expected to be compensated by a third party, the compensation will be separately recognized as assets when it is virtually certain that the compensation will be received. The compensation recognized should not exceed the book value of estimated liabilities.

The Company reviews the book value of estimated liabilities on the balance sheet date. If there is unambiguous evidence indicating that such book value cannot reflect the current best estimate, such book value will be adjusted based on the current best estimate.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.24 Share-based payments**

The Company's share-based payments are transactions in which the Company grants equity instruments or undertakes equity-instrument-based liabilities in return for services from employees or other parties. The share-based payments of the Company consist of equity-settled share-based payments and cash-settled share-based payments.

3.24.1 Equity-settled share-based payment and equity instruments

Where the Company acquires services rendered by employees via the equity-settled share-based payment, such payment should be calculated at the fair value of equity instruments granted to employees. The Company includes the share-based payment for which relevant right can be exercised subsequent to the grant of equity instruments in relevant costs or expenses on the grant date at the fair value of equity instruments and increases capital reserves accordingly. For the share-based payment for which relevant right can be exercised after the grant of equity instruments only when the services during the waiting period are completed or the specified performance conditions are met, on each balance sheet date within the waiting period, the Company, based on the best estimate of the quantity of equity instruments where relevant rights can be exercised, includes the services acquired during that period in relevant costs or expenses at the fair value on the grant date, and increases capital reserves accordingly.

In case any clause on the equity-settled share-based payment has been modified, services acquired should be recognized as if such clause has not been modified. In addition, the increase in services acquired should be recognized in case of any increase to the fair value of equity instruments granted or any change favorable to employees on the date of increasing such fair value.

During the waiting period, if any equity instrument granted is canceled, the Company will accelerate the right exercise relevant to the equity instrument canceled, immediately include the amount which should be recognized during the remaining waiting period in the current profit or loss, and recognize capital reserves at the same time. However, if any new equity instrument is granted and on the date of granting such new equity instrument, it is affirmed that such new equity instrument can replace the canceled one, the treatment for such new equity instrument will be made in the way for modifying terms and conditions of the original equity instrument.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.24 Share-based payments (Continued)****3.24.2 Cash-settled share-based payment and equity instruments**

Cash-settled share-based payment is measured at the fair value of the liability which is assumed by the Company and calculated based on share or other equity instrument. The Company includes the share-based payment for which relevant right can be exercised subsequent to the grant of equity instruments in relevant costs or expenses on the grant date at the fair value of the liability it assumes, and increase liabilities accordingly. For the share-based payment for which relevant right can be exercised after the grant of equity instruments only when the services during the waiting period are completed or the specified performance conditions are met, on each balance sheet date within the waiting period, the Company, based on the best estimate on the situation of exercising relevant right, includes the services acquired during that period in relevant costs or expenses and in liabilities according, at the fair value of the liability the Company assumes. On each balance sheet date and settlement date prior to the settlement of relevant liabilities, the fair value of liability should be remeasured through the current profit or loss.

The Company amends the terms and conditions of the cash-settled share-based payment agreement so that it is paid in equity-settled shares, and on the modification date (whether occurring during or after the end of the waiting period), the Company measures the equity-settled share payments at the fair value of the equity instrument on the date of grant, includes the services obtained in the capital reserve, and derecognizes the cash-settled share-based payment of the recognized liabilities on the modification date, the difference between which is recognized in profit or loss for the period. If the waiting period is extended or shortened due to the amendment, the Company will account for the revised waiting period.

3.25 Revenue**3.25.1 Accounting policies adopted for revenue recognition and measurement**

If the Company fulfills its performance obligations in a contract, it will recognize revenue when relevant customer obtains right of control over relevant goods or services. Obtaining the right of control over relevant goods or services means that the customer is able to make decisions on the use of the goods or the rendering of the services, and can obtain almost all of the economic benefits therefrom.

If two or more performance obligations are covered in the contract, on the contract commencement date, the transaction price will be amortized to individual performance obligation based on the relative proportion of the individual selling price of goods or services involved in the individual performance obligation. The Company measures revenue at the transaction price amortized to individual performance obligation.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.25 Revenue (Continued)

3.25.1 Accounting policies adopted for revenue recognition and measurement (Continued)

The transaction price refers to the amount of consideration the Company is expected to have the right to take on account of the transfer of goods or services to the customer, excluding the payments charged by any third party and the payments expected to be refunded to the customer. The Company determines the transaction price according to the contract terms and in light of its previous regular practice, in the meantime, factors such as variable consideration, significant financing composition existing in the contract, non-cash consideration, and consideration payable to customers will be taken into account. The Company determines the transaction price involving the variable consideration at the amount that should not exceed the amount of accumulatively recognized revenue that is highly unlikely to have a major reversal when relevant uncertainty is eliminated. If the significant financing component is covered in the contract, the Company will determine the transaction price based on the amount of cash payable at once by the customer when the customer acquires the right of control over goods or services, as assumed, and amortize the difference between such transaction price and the contract price by the effective interest method during the contract period.

The obligation performance belongs to certain period in case one of the following conditions is met; otherwise, it belongs to certain time-point:

- The customer obtains and consumes the economic benefits brought by the performance of the Company while the Company is performing the obligation.
- Customers are able to control the goods under construction by the Company in the course of performing obligations.
- The Goods produced in the course of performing obligations have irreplaceable uses, and the Company has the right to receive payments for the portion of the performance that has been completed to date.

For a performance obligation to be performed within a certain period, the Company recognizes the revenue according to the performance progress during such period, except for the case that the performance progress cannot be reasonably determined. The Company may determine the performance progress by the output method or input method based on the nature of goods or service. When the performance progress cannot be reasonably determined, if the cost incurred is expected to be compensated, the revenue will be recognized by the Company at the amount of the cost incurred until the performance progress can be reasonably determined.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.25 Revenue (Continued)****3.25.1 Accounting policies adopted for revenue recognition and measurement (Continued)**

The revenue from obligation performance belonging to certain time-point is recognized by the Company when the customer has acquired the right of control over relevant goods or services. The Company will consider the following signs when judging whether the customer has acquired the right of control over relevant goods or services:

- The customer has the current payment obligation for such goods or service, i.e. the Company enjoys the current right to collect the payment for such goods or service.
- The Company has transferred the legal ownership of such goods to the customer, i.e. the customer possesses the legal ownership of such goods.
- The Company has transferred goods to the customer in kind, i.e. the customer has possessed such goods in kind.
- The substantial risks and rewards of the ownership of such goods have been transferred by the Company to the customer, i.e. the customer has acquired the substantial risks and rewards of the ownership of such goods.
- The customer has accepted such goods or services, etc.

The Company determines whether its status is that of a principally liable person or an agent at the time of engaging in a transaction based on whether it has control over the goods or services prior to transferring them to the customer. If the Company is able to control the goods or services prior to transferring them to the customer, the Company is the principal and recognizes revenue based on the total consideration received or receivable; otherwise, the Company is the agent and recognizes revenue based on the amount of commissions or fees it expects to be entitled to receive.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.25 Revenue (Continued)

3.25.2 Disclosure of specific revenue recognition and measurement methods by type of business

Business revenues of the Company mainly come from information technology services for civil aviation, settlement and clearing service, data network service, system integration service and technology service, etc. In which, revenues from rendering information technology service for civil aviation, settlement and clearing service, data network services and technology service are recognized monthly in the course of rendering these services; the revenue from system integration service is recognized upon the acceptance inspection by the customer as the project work time is generally short. In the system integration project, if the commitment that the installation service will be rendered after the equipment delivery is given to the customer, and the installation service does not have significant impact on the equipment, the revenue recognition will be made by stages based on two obligation performance, i.e., sales of equipment and rendering of installation service. The revenue recognition for sales of equipment is made after the equipment delivery and acceptance inspection, and that for installation service is made after the customer fully completes the acceptance inspection.

3.26 Contract costs

Contract costs include the contract performance cost and the contract acquisition cost.

The Company's cost on contract performance does not belong to scope of standards for inventories, fixed assets or intangible assets, and is recognized as an asset when it meets the following conditions:

- Such cost is directly relevant to the contract which has been or is expected to be acquired.
- Such cost increases the resource which will be used by the Company for obligation performance.
- Such cost is expected to be recoverable.

If the incremental cost incurred in the Company on account of contract acquisition is expected to be recoverable, it, as the contract acquisition cost, will be recognized as an asset.

Assets related to contract cost are amortized on the basis for the recognition of revenue from goods or services relevant to such assets; however, if the amortization period of contract acquisition cost is less than one year, the Company will include such cost in the current profit or loss when it occurs.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.26 Contract costs (Continued)**

If the book value of the assets related to contract cost is higher than the difference between the following two items, the Company will make the provision for impairment of the exceeding part, and recognize it as the loss from impairment of assets.

1. The remaining consideration expected to be obtained on account of the transfer of goods or services related to the assets;
2. The cost that is expected to be incurred for the purpose of transferring relevant goods or services.

If the factors causing the impairment in the previous period change, resulting that the above-mentioned difference is higher than the book value of such assets, the Company will reverse the provision for impairment which has been made originally, and include it in the current profit or loss; however, the book value of assets reversed should not exceed the book value of such assets on the reversal date as if no provision for impairment has been made.

3.27 Government grants**3.27.1 Type**

Government grants are monetary assets and non-monetary assets freely obtained by the Company from the government. Government grants are classified into asset-related government grants and income-related government grants.

Asset-related government grants refer to government grants obtained by the Company for forming long-term assets by acquisition, construction or other manners. Income-related government grants refer to government grants excluding the asset-related government grants.

3.27.2 Timing of recognition

Government grants are recognized when the Company can meet all conditions attached thereto and is able to obtain such grants.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.27 Government grants (Continued)**3.27.3 Accounting treatment**

Asset-related government grants are used to offset the book value of relevant assets or recognized as deferred income. If such grants are recognized as the deferred income, they will be included in the current profit or loss by reasonable and systematic methods within useful lives of related assets (if such grants are relevant to routine activities of the Company, they will be included in other income; if such grants are irrelevant to routine activities of the Company, they will be included in non-operating income);

Income-related government grants to be used as compensation for future expenses or losses are recognized as deferred income and are recorded in current profit or loss where the relevant expenses or losses are recognized (if they are related to daily activities of the Company, they will be included into other income; otherwise, they will be included in non-operating income) or set off the related expenses or losses; those to be used as compensation for incurred expenses or losses are recorded in current profit or loss (if they are related to daily activities of the Company, they will be included into other income; otherwise, they will be included in non-operating income) or will set off the related expenses or losses.

The interest subsidies of policy-based preferential loans obtained by the Company are subject to the following accounting treatments according to two situations:

- (1) When the finance department appropriates the interest subsidies to the lending bank, and the lending bank provides the loan at the policy-based preferential interest rate to the Company, the Company will take the book-entry value at the loan amount actually received, and relevant loan expenses are calculated based on the principal of the loan and the policy-based preferential interest rate.
- (2) Where the finance department directly appropriates the interest subsidies to the Company, the Company will use the corresponding interest subsidies to offset related borrowing costs.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.28 Deferred tax assets and deferred tax liabilities**

Income tax includes the current income tax and deferred income tax. Except for the income tax in the transactions or matters of business combination and directly including relevant items in the owners' equity (including other comprehensive income), the Company includes the current income tax and deferred income tax in the current profit or loss.

The deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the differences (temporary differences) between the tax bases of assets and liabilities and the book values of the same.

Deferred income tax assets are recognized at deductible temporary differences to the extent that it shall not exceed the taxable income probably obtained in future period and used to deduct the deductible temporary differences. For deductible losses and tax credits that can be carried forward to subsequent periods, deferred income tax assets arising therefrom are recognized to the extent of the taxable income probably obtained in future period that can be used for deducting the deductible losses and tax credits.

Taxable temporary differences are recognized as deferred income tax liabilities except in special circumstances.

Special situations where the deferred income tax assets or deferred income tax liabilities are not recognized include:

- Assets/liabilities arising from initial recognition of goodwill;
- Assets/liabilities arising from the transactions or events other than the business combinations which, at the occurrence time, do not affect the accounting profits or the taxable profits (or deductible losses), and the initial recognition of assets and liabilities does not result in transactions or events that give rise to taxable temporary differences and deductible temporary differences of equal amounts.

Taxable temporary differences related to investments in subsidiaries, associates and joint ventures are recognized as deferred income tax liabilities; unless the Company is able to control the time for reversing such temporary differences and such temporary differences are unlikely to be reversed in the foreseeable future. For the deductible temporary differences related to investments in subsidiaries, associates and joint ventures, the deferred income tax assets are recognized when the temporary differences may be reversed in the foreseeable future and they are likely to be obtained to offset the taxable income of deductible temporary differences in the future.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.28 Deferred tax assets and deferred tax liabilities (Continued)

On the balance sheet date, the deferred income tax assets and deferred income tax liabilities are measured at the tax rates applicable to the period where relevant assets are expected to be recovered or relevant liabilities are expected to be discharged, according to the tax law.

On the balance sheet date, the Company reviews the book value of deferred income tax assets. If it is unlikely to obtain sufficient taxable income in the future to offset against the benefit of deferred income tax assets, the book value of deferred income tax assets will be written down. If it is likely to obtain sufficient taxable income, the book value of deferred tax assets written down will be recovered.

If the Company has the legal right to settle in net amounts and intends to settle in net amount or to obtain assets and discharge liabilities simultaneously, the current tax assets and current tax liabilities of the Company shall be presented based on the net amount after offset.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities simultaneously meeting the following conditions are presented by net amount after offset:

- The taxpayer has the legal right to settle the current income tax assets and current income tax liabilities by net amount;
- Deferred income tax assets and deferred income tax liabilities are related to the income tax which are imposed on the same taxpayer by the same tax collection authority or to different taxpayers, but, in each important future period in connection with the reversal of deferred income tax assets and liabilities, the involved taxpayers intend to settle the current income tax assets and current income tax liabilities with net amount or to obtain assets and discharge liabilities simultaneously.

3.29 Lease

Lease refers to a contract in which a lessor assigns the right to use an asset to a lessee within a certain period of time in order to obtain consideration. On the contract commencement date, the Company evaluates whether the contract is a lease or includes a lease. If a party to a contract transfers the right to control the use of one or more identified assets within a certain period in exchange for consideration, the contract shall be a lease or include a lease.

If the contract contains multiple individual leases, the Company will split the contract and make accounting treatment over each individual lease. If the contract contains both leased and non-leased parts, the lessee and lessor will split the leased and non-leased parts.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.29 Lease (Continued)****3.29.1 The Company as lessee****3.29.1.1 Right-of-use assets**

At the commencement date, the Company recognize the right-of-use asset for leases other than short-term leases and low-value asset leases. Right-of-use assets are initially measured at cost. This cost includes:

- the initial measurement amount of lease liabilities;
- in case of any lease incentives, relevant amount of the lease incentives enjoyed shall be deducted from the lease payment paid on or before the commencement date of the lease term;
- the initial direct costs incurred of the Company;
- the costs incurred of the Company for demolishing and removing leased assets, restoring the site where the leased assets are located, or restoring the leased assets to the state agreed in the lease terms, but excluding the cost incurred for inventory production.

The Company subsequently adopts the straight-line-method to make the provision for the depreciation of the right-of-use assets. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, the Company shall accrue depreciation within the remaining useful life of the leased asset; otherwise, the leased assets should be depreciated over the shorter of the lease term or the remaining useful life of the leased assets.

The Company determines whether the right-to-use assets have been impaired or not according to the principle described in “3.19 Impairment of long-term assets” in this note, and make the accounting treatment for the identified impairment losses.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.29 Lease (Continued)

3.29.1 The Company as lessee (Continued)

3.29.1.2 Lease liabilities

As at the beginning of the lease period, the Company recognizes the leases other than short-term leases and leases of low-value assets as lease liabilities. Lease liabilities are initially measured at the present value of the lease payments that have not been paid. Lease payments include:

- for fixed payments (including substantial fixed payments), if there is any lease incentive, the relevant amount of the lease incentive shall be deducted;
- variable lease payments depending on the index or ratio;
- the payments expected to be payable based on the residual value of the guarantee provided by the Company;
- exercise price of purchase option, provided that the Company reasonably determines that it will exercise the option;
- the amount to be paid to exercise the lease termination option, provided that it is reflected that the Company will exercise the lease termination option during the lease period.

The Company adopts the implicit rate of lease as the discount rate, but if the implicit rate of lease cannot be reasonably determined, the incremental borrowing rate will be adopted as the discount rate.

The Company calculates the interest expenses of lease liabilities in each lease term based on a fixed periodic interest rate, and includes such expenses into the current profit or loss or the cost of related assets.

The variable lease payments not included in the measurement of lease liabilities shall be included in the current profit or loss or the costs of related assets when they actually occur.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.29 Lease (Continued)****3.29.1 The Company as lessee (Continued)****3.29.1.2 Lease liabilities (Continued)**

After the commencement date of the lease term, under any of the following circumstances, the Company will re-measure the lease liabilities and adjust the corresponding right-of-use assets; if the book value of the right-of-use assets has been reduced to zero and further reduction of lease liabilities is still required, the difference will be included in the current profit or loss:

- In case of any change in the evaluation results of the purchase option, lease renewal option or termination option, or any inconsistency between the actual exercise of the aforesaid options and the original evaluation results, the Company will re-measure lease liabilities according to the present value calculated by the changed lease payments and the revised discount rate;
- In case of any change in the substantial fixed payments, the estimated payable amount based on the residual value of the guarantee, or in the index or ratio used to determine lease payments, the Company will re-measure lease liabilities according to the present value calculated by the changed lease payments and the original discount rate. However, if the change of lease payment is caused by the change of floating interest rate, the revised discount rate is used to calculate the present value.

3.29.1.3 Short-term leases and leases of low-value assets

The Company chooses not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and the relevant lease payments are included in the current profit or loss or the cost of related assets by straight-line method over each period within the lease term. Short-term leases refer to leases that do not exceed 12 months on the commencement date of the lease period and do not include any purchase option. Low-value asset lease refers to the lease of a single lease asset with lower value when it is brand new. The company regards the lease of a single leased asset with a value of no more than RMB35,000.00 as a new asset as a low-value asset lease. For the lease asset subleased by the Company subleases or expected to be subleased, the original lease is not a lease of low-value assets.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.29 Lease (Continued)

3.29.1 The Company as lessee (Continued)

3.29.1.4 Lease changes

If the lease changes and the following conditions are met at the same time, the Company will carry out accounting treatment over the lease change as a separate lease:

- where the lease change expands the scope of the lease by adding the right to use one or more leased assets;
- where the increase of the consideration is equivalent to the adjusted individual price of the expanded part of the lease scope according to the contract.

Where the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Company will re-distribute the consideration of the contract after the change, re-determine the lease period, and re-measure lease liabilities according to the present value calculated by the changed lease payments and the revised discount rate.

If the lease change causes the lease scope to be reduced or the lease term to be shortened, the Company shall correspondingly reduce the book value of the right-to-use assets, and include the related gains or losses of partial or complete termination of the lease in the current profit or loss. Where other lease changes lead to re-measurement of lease liabilities, the Company will adjust the book value of the right-of-use assets accordingly.

3.29.2 The Company as lessor

Leases of the Company are classified as finance lease and operating lease on the lease commence date. Lease under which almost all the risks and rewards relevant to the ownership of leased assets are materially transferred is recognized as finance lease, regardless of whether the ownership is ultimately transferred. Operating lease refers to the leases other than finance lease. When the Company is a sub-lessor, it classifies the sub-leases based on the right-of-use assets generated by the original lease.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.29 Lease (Continued)****3.29.2 The Company as lessor (Continued)*****3.29.2.1 Accounting treatment of operating leases***

Rental from the operating lease in each stage during the rental period should be recognized as the lease income by the straight-line method. Initial direct costs relating to operating lease incurred by the Company are capitalized, and shall be included in the current profit or loss on the same basis as the recognition of lease income during the lease term. The variable lease payable that is not included in the lease receivable shall be included in the current profit or loss at the time of actual occurrence. In case of any change in the operating lease, the Company will make the accounting treatment for it as a new lease from the effective date of the change, and the amount received in advance or lease receivables before the change will be regarded as the receivables from the new lease.

3.29.2.2 Accounting treatment of finance lease

On the lease commencement date, the Company recognizes finance lease receivables for financing leases and derecognizes finance lease assets. When the Company conducts the initial measurement of finance lease receivables, the net lease investment is adopted as the entry value of the finance lease receivables. The net lease investment is the sum of the unguaranteed residual value and the present value of the lease payments that have not been received at the beginning of the lease term and discounted at the interest rate included in the lease.

The Company calculates and recognizes the interest expenses in each lease term based on a fixed periodic interest rate. The derecognition and impairment of finance lease receivables shall be accounted for in accordance with “3. 9 Financial instruments” herein.

The variable lease payable that is not included in the net lease investment for measurement shall be included in the current profit or loss at the time of actual occurrence.

If the finance lease changes and the following conditions are met at the same time, the Company will carry out accounting treatments over the change as a separate lease:

- where the change expands the scope of the lease by adding the right to use one or more leased assets;
- where the increase of the consideration is equivalent to the adjusted individual price of the expanded part of the lease scope according to the contract.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.29 Lease (Continued)

3.29.2 The Company as lessor (Continued)

3.29.2.2 Accounting treatment of finance lease (Continued)

Where the change of finance lease is not accounted for as a separate lease, the Company will treat the changed lease according to the following circumstances:

- If the change comes into effect on the lease commencement date, the lease will be classified as an operating lease. The Company will start making accounting treatment for it as a new lease from the effective date of the lease change, and regard the net lease investment before the effective date of the lease change as the book value of the leased assets;
- If the change comes into effect on the lease commencement date, the lease will be classified as a finance lease, and the Company will conduct accounting treatment according to the policy on modifying or renegotiating the contract in “3.9 Financial instruments” of this note.

3.29.3 Sale-and-leaseback deals

The Company evaluates and determines whether the transfer of assets in the sale-and-leaseback transaction is a sale in accordance with the principles described in “3.25 Revenue” herein.

3.29.3.1 As the lessee

If the asset transfer in the sale-leaseback transaction belongs to sales, the Company as the lessee measures the right-of-use asset formed by the sale-leaseback according to the part related to the use-right obtained from the leaseback in the original book value of assets, and only recognizes the relevant gains and losses only for the rights transferred to the lessor.

Subsequent measurement of right-of-use assets and lease liabilities and lease modifications after the commencement date of the lease term are detailed in Note “3.29.1 The Company as lessee”. When subsequently measuring lease liabilities arising from sale and leaseback transactions, the Company determines the lease payments or modified lease payments in a manner that does not result in the recognition of gains or losses related to the right-of-use obtained from the leaseback.

If the asset transfer in the sale-and-leaseback transaction does not belong to the sale, the Company, as the lessee, continues to confirm the transferred assets and recognizes a financial liability equivalent to the transfer income. Please refer to Note “3.9 financial instruments for the accounting treatment for financial liabilities”.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.29 Lease (Continued)****3.29.3 Sale-and-leaseback deals (Continued)****3.29.3.2 As the lessor**

If the asset transfer in the sale-leaseback transaction belongs to sales, the Company, as the lessor, will make accounting treatment for the purchased assets, and for the asset lease according to the aforesaid policy in “2. The Company as the lessor”; If the asset transfer in the sale-and-leaseback transaction does not belong to the sale, the Company, as the lessor, will not confirm the transferred assets but recognizes a financial asset equivalent to the transfer income. Please refer to Note “3.9 Financial instruments for the accounting treatment for financial assets”.

3.30 Debt restructuring**3.30.1 The Company as a creditor**

The Company terminates the recognition of claims when the contractual right to collect cash flows from the claims terminates. If debt is restructured by settling debts with assets or converting debts into equity instruments, the company will recognize the relevant assets when they meet their definition and recognition conditions.

If debt restructuring is carried out by repaying debts with assets, the transferred non-financial assets shall be measured at cost when the company initially recognizes them. The cost of inventory includes the fair value of the relinquished claims and other costs directly attributable to the asset such as taxes, transportation fees, loading and unloading fees, insurance premiums and other costs incurred to bring the asset to its current location and condition. The cost of an investment in an associate or joint venture includes the fair value of the relinquished claims and other costs such as taxes directly attributable to the asset. The cost of investment real estate includes the fair value of the relinquished claims and other costs such as taxes that are directly attributable to the asset. The cost of a fixed asset includes the fair value of the relinquished claim and other costs directly attributable to the asset such as taxes, transportation fees, loading and unloading fees, installation fees, professional service fees and other costs incurred before the asset reaches its intended usable condition. The cost of biological assets includes the fair value of the relinquished claims and other costs such as taxes, transportation fees, and insurance premiums that are directly attributable to the assets. The cost of intangible assets includes the fair value of the relinquished claims and other costs that are directly attributable to taxes and other costs incurred in bringing the asset to its intended use. If the debt restructuring by converting debt into equity instruments results in the creditor converting its claim into an equity investment in an associate or joint venture, the company shall measure it based on the fair value of the relinquished claim and taxes and other costs directly attributable to the asset. its initial investment cost. The difference between the fair value and the book value of the relinquished claims is included in the current profit and loss.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.30 Debt restructuring (Continued)****3.30.1 The Company as a creditor (Continued)**

If debt restructuring is carried out by modifying other terms, the company shall confirm and measure the restructured claims in accordance with Note “3.9 Financial instruments”.

If multiple assets are used to repay debts or a combination is used to restructure debt, the company will first confirm and measure the transferred financial assets and restructured claims in accordance with Note “3.9 Financial instruments”, and then use The fair value ratio of each asset is divided into the net amount after deducting the confirmed amount of transferred financial assets and restructured claims from the fair value of the relinquished claims, and based on this, the cost of each asset is determined according to the aforementioned method. The difference between the fair value of the relinquished claim and its book value shall be included in the current profit and loss.

3.30.2 The Company as the debtor

The Company derecognises a debt when its current obligations are discharged.

If debt reorganization is carried out by repaying debts with assets, the company will terminate the recognition when the relevant assets and the debts paid off meet the conditions for derecognition, and the difference between the book value of the debts paid off and the book value of the transferred assets shall be included in the current profit and loss.

If the debt is converted into equity instruments for debt restructuring, the company will derecognize the debt when the repaid debt meets the conditions for derecognition. When the company initially recognizes an equity instrument, it is measured based on the fair value of the equity instrument. If the fair value of the equity instrument cannot be reliably measured, it is measured based on the fair value of the debt repaid. The difference between the book value of the debt repaid and the recognized amount of the equity instrument shall be included in the current profit and loss.

If debt restructuring is carried out by modifying other terms, the company shall recognize and measure the restructured debt in accordance with Note “3.9 Financial instruments”.

If multiple assets are used to repay debts or a combination is used to reorganize debts, the company shall confirm and measure equity instruments and restructured debts in accordance with the aforementioned methods. The book value of the debts repaid shall be the book value of the transferred assets and the confirmed amount of equity instruments and restructured debts. The difference between the sum and the profit and loss shall be included in the current profit and loss.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.31 Segment reporting**

The Company determines its operating segments based on its internal organizational structure, management requirements, and internal reporting system, and determines its reportable segments and discloses segment information on the basis of operating segments.

An operating segment is a component of the Company that simultaneously meets the following conditions: (1) the component is capable of generating revenues and incurring expenses in its day-to-day activities; (2) the management of the Company is able to evaluate the operating results of the component on a regular basis in order to decide on the allocation of resources to the component and to evaluate its performance; and (3) the Company is able to obtain the component's accounting information relating to the component's financial position, results of operations and cash flows. Two or more operating segments may be consolidated into one operating segment if they have similar economic characteristics and meet certain conditions.

3.32 Other key accounting policies and accounting estimates**3.32.1 Useful life and residual value of property, plant and equipment**

The Group uses the straight-line method to depreciate property, plant and equipment according to their estimated useful life, and adopts a sufficient depreciation rate to offset the amount of their cost minus the accumulated impairment loss and the revaluation amount after the estimated remaining value. The Group reviews the useful lives of fixed assets on a regular basis to ensure that the depreciation method and depreciation rate are in line with the economic benefits of the relevant fixed assets.

The Group's estimation of the useful life of fixed assets is detailed in the "Note 3.15 Fixed assets", which is based on the historical experience of the Group in using similar assets and takes into consideration expected technological changes. If there is a significant change in the previous estimate, the future depreciation expense will be adjusted.

3.32.2 Impairment of goodwill and intangible assets

Determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. When calculating the value in use, management is required to estimate the expected future cash flows from the cash-generating unit and an appropriate discount rate to calculate the present value.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(CONTINUED)

3.32 Other key accounting policies and accounting estimates (Continued)

3.32.3 Income tax and deferred tax

The Group pays income tax in Mainland China and other jurisdictions. When determining income tax, significant judgments are required. In the ordinary course of business, the final tax determination involved in some transactions and calculations is uncertain. The Group recognizes liabilities for anticipated tax audit items based on estimates of whether additional taxes will be required. The final tax consequences of such events are different from the amounts originally recorded, and these differences will affect the income tax and deferred tax provisions during the period in which these determinations are made.

3.33 Changes in significant accounting policies and accounting estimates and correction of errors

3.33.1 Changes in significant accounting policies

None.

3.33.2 Changes in significant accounting estimates

None.

4 TAXATION

4.1 Major tax types and tax rates

Tax type	Basis of tax assessment	Tax rate %
Value added tax ("VAT")	Tax payable is calculated by VAT output, which is based on the taxable sales amount generated from sales of goods or rendering of service according to tax laws, less deductible VAT input of the current period	See Table 1 as below
Urban maintenance and construction tax	Levied based on the actual VAT and consumption tax	5.00, 7.00
Corporate income tax	Levied based on taxable income	See Table 2 as below

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

4 TAXATION (CONTINUED)**4.1 Major tax types and tax rates (Continued)****4.1.1 VAT rates for the Company and its subsidiaries during the reporting period**

Company	Tax rate %
TravelSky Technology Limited	13.00, 9.00, 6.00
Chongqing Civil Aviation Cares Information Technology Co., Ltd.	13.00, 6.00
Hunan TravelSky Technology Limited	13.00, 6.00
Xi'an Civil Aviation Cares Technology Co., Ltd.	13.00, 6.00, 3.00
Hubei Civil Aviation Cares Co., Ltd.	13.00, 6.00
Xinjiang Civil Aviation Cares Technology Co., Ltd.	13.00, 6.00, 3.00
Shenzhen Civil Aviation Cares Co., Ltd.	13.00, 6.00
Shanghai TravelSky Technology Limited	6.00
Xiamen Civil Aviation Cares Co., Ltd.	13.00, 6.00
Qingdao Civil Aviation Cares Co., Ltd.	13.00, 9.00, 6.00
Hainan Civil Aviation Cares Co., Ltd.	13.00, 6.00
Guangzhou TravelSky Technology Limited	13.00, 6.00, 5.00
Accounting Center of China Aviation	6.00
Beijing Yake Technology Development Co., Ltd.	6.00
Antu Jinxin Commercial Factoring Co., Ltd.	6.00
Infosky Information Technology Co., Ltd.	13.00, 6.00
TravelSky Cares (Beijing) Real Estate Co., Ltd.	13.00, 6.00
Beijing TravelSky Travel Agency Co., Ltd.	6.00
Travelsky Yunzhi Technology (Beijing) Co., Ltd.	13.00, 6.00
Inner Mongolia TravelSky Technology Limited	13.00, 6.00
Zhejiang TravelSky Technology Limited	13.00, 6.00
Henan TravelSky Technology Limited	13.00, 6.00
Beijing TravelSky Technology Limited	13.00, 6.00
Guangzhou Skyecho Information Technology Co., Ltd.	13.00, 6.00
TravelSky Digital Intelligence Technology (Beijing) Co., Ltd.	6.00
TravelSky Technology International Limited	Not Applicable
TravelSky Technology Singapore Pte. Ltd.	Not Applicable
OpenJaw Technologies Limited	23.00

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

4 TAXATION (CONTINUED)**4.1 Major tax types and tax rates (Continued)****4.1.2 Corporate income tax rates for the Company and its subsidiaries during the reporting period**

Taxpayer	Income tax rate %
TravelSky Technology Limited (Remark 1)	15.00
Chongqing Civil Aviation Cares Information Technology Co., Ltd. (Remark 2)	15.00
Xi'an Civil Aviation Cares Technology Co., Ltd. (Remark 2)	15.00
Hubei Civil Aviation Cares Co., Ltd. (Remark 1)	15.00
Xinjiang Civil Aviation Cares Technology Co., Ltd.	25.00
Shenzhen Civil Aviation Cares Co., Ltd. (Remark 1)	15.00
Shanghai TravelSky Technology Limited (Remark 3)	20.00
Xiamen Civil Aviation Cares Co., Ltd. (Remark 1)	15.00
Qingdao Civil Aviation Cares Co., Ltd. (Remark 1)	15.00
Hainan Civil Aviation Cares Co., Ltd. (Remark 1)	15.00
Guangzhou TravelSky Technology Limited (Remark 1)	15.00
Accounting Center of China Aviation (Remark 1)	15.00
Beijing Yake Technology Development Co., Ltd. (Remark 1)	15.00
Antu Jinxin Commercial Factoring Co., Ltd.	25.00
Infosky Information Technology Co., Ltd. (Remark 1)	15.00
TravelSky Cares (Beijing) Real Estate Co., Ltd. (Remark 3)	20.00
Henan TravelSky Technology Limited	25.00
Hunan TravelSky Technology Limited	25.00
Beijing TravelSky Technology Limited	25.00
Beijing TravelSky Travel Agency Co., Ltd.	25.00
Travelsky Yunzhi Technology (Beijing) Co., Ltd.	25.00
Zhejiang TravelSky Technology Limited	25.00
Guangzhou Skyecho Information Technology Co., Ltd. (Remark 3)	20.00
TravelSky Digital Intelligence Technology (Beijing) Co., Ltd. (Remark 3)	20.00
Inner Mongolia TravelSky Technology Limited (Remark 3)	20.00
TravelSky Technology International Limited	8.25, 16.50
TravelSky Technology Singapore Pte. Ltd.	17.00
OpenJaw Technologies Limited	12.50

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

4 TAXATION (CONTINUED)**4.1 Major tax types and tax rates (Continued)****4.1.2 During the reporting period, enterprise income tax rates adopted by the Company and its subsidiaries are as below: (Continued)**

- Remark 1: TravelSky Technology Limited, Hubei Civil Aviation Cares Co., Ltd., Shenzhen Civil Aviation Cares Co., Ltd., Xiamen Civil Aviation Cares Co., Ltd., Qingdao Civil Aviation Cares Co., Ltd., Hainan Civil Aviation Cares Co., Ltd., Guangzhou TravelSky Technology Limited, Accounting Center of China Aviation, Beijing Yake Technology Development Co., Ltd., and Infosky Information Technology Co., Ltd. have been assessed as high-tech enterprises, enjoying the preferential income tax rate of 15%.
- Remark 2: The main business of Chongqing Civil Aviation Cares Information Technology Co., Ltd. and Xi'an Civil Aviation Cares Technology Co., Ltd. conforms to Paragraph 5, Article 26 of the Encouraged Section in the Guiding Catalog for Industrial Restructuring (2011 Edition), stating that "aviation computer management and its network system development and construction"; thus, such companies enjoy the preferential policy for income tax under the Great Western Development Strategy, paying tax at 15%.
- Remark 3: According to the "Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing Preferential Income Tax Policies for Small and Micro Enterprises" (Announcement No. 13 of 2022), the "Announcement of the Ministry of Finance and the State Administration of Taxation on Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households" (Announcement No. 6 of 2023), the "Announcement of the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households" (No. 12 of 2023), the "Announcement of the State Administration of Taxation on the Implementation of Preferential Income Tax Policies for Small and Low-Profit Enterprises" (No. 6 of 2023) and the "Guidelines for Preferential Tax Policies for Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (2.0)" stipulate that the taxable income will be calculated at a reduced rate of 25% for small and low-profit enterprises, and the corporate income tax policy will be paid at a rate of 20%, which will be extended until December 31, 2027. In this issue, Shanghai TravelSky Technology Limited, TravelSky Cares (Beijing) Real Estate Co., Ltd., Guangzhou Skyecho Information Technology Co., Ltd., Inner Mongolia TravelSky Technology Limited and TravelSky Digital Intelligence Technology (Beijing) Co., Ltd. also meet the three conditions of taxable income of no more than RMB3 million, the number of employees does not exceed 300, and the total assets do not exceed RMB50 million, and are subject to a reduction of 25% in taxable income and corporate income tax at a rate of 20%.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

4 TAXATION (CONTINUED)**4.2 Tax incentives****4.2.1 High and New Technology Enterprise**

Under the Corporate Income Tax Law of the People's Republic of China ("**CIT Law**"), in general, the applicable income tax rate of enterprises in the PRC is 25%. Pursuant to relevant requirements, enterprises recognized as "High and New Technology Enterprises" are entitled to a preferential corporate income tax rate of 15% according to the CIT Law. The Company was approved and certified by relevant authorities as a "High and New Technology Enterprise" since its establishment and was reviewed to renew the identification of "High and New Technology Enterprise" in accordance with relevant regulatory requirements. The most recent re-certification was completed in 2023, in accordance with relevant regulatory provisions, the Company has accrued corporate income tax expenses for the 2025 fiscal year at a preferential tax rate of 15%.

4.2.2 Key Software Enterprise

Except that enterprises that have been assessed as "High and Technology Enterprise" may enjoy the preferential income tax rate of 15%, enterprises assessed as "Key Software Enterprise encouraged by the state" by relevant authorities under the government of China may further enjoy the preferential tax rate of 10%. According to the relevant provisions, the difference between the tax paid at the tax rate of 15% and that paid at tax rate of 10% will be refunded to relevant enterprises subsequently, and such tax refund will be reflected in the Statement of Profit and Losses for the period when it occurs.

This year, our Company has submitted an application to the relevant departments for a 10% preferential tax rate for key software enterprises in 2024 and obtained approval.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**5.1 Cash and cash equivalents**

Item	As at June 30, 2025	As at December 31, 2024
Cash on hand	1,126.46	10,958.18
Digital currency	3,891,933.25	2,931,986.43
Cash at bank	6,624,846,189.80	10,526,620,052.36
Other cash and cash equivalents	19,754,906.38	19,423,499.70
Total	6,648,494,155.89	10,548,986,496.67
Including: The total amount deposited abroad	302,093,227.53	242,971,928.71
Money deposited abroad and with restrictions on fund repatriation		

5.2 Financial assets held for trading

Item	As at June 30, 2025	As at December 31, 2024
Financial assets measured at fair value through the current profit or loss	6,022,134,804.98	2,218,192,945.21
Including: Debt instrument investments	6,022,134,804.98	2,218,192,945.21
Total	6,022,134,804.98	2,218,192,945.21

Note: Investment in debt instruments is structured bank deposits (floating income) issued by Bank of Beijing He Ping Li Branch, Industrial Bank Co., Ltd. Beijing Shunyi Branch, China Construction Bank Beijing Dong Si Branch, Ping An Bank Beijing Financial Street Branch, China Everbright Bank Beijing Shi Ji Cheng Branch, Industrial and Commercial Bank of China Beijing Dong Si Branch held by the Group, with an annual interest rate of 0.45%-2.30% and a maturity of 92-186 days, which cannot be withdrawn before maturity.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.3 Notes receivable****5.3.1 Breakdown of the notes receivable**

Item	As at June 30, 2025	As at December 31, 2024
Bank acceptance bills	254,518,419.19	176,809,848.52
Commercial acceptance bills	67,549,806.00	100,575,175.27
Less: Provision for bad debts	2,628,921.06	8,266,130.25
Total	319,439,304.13	269,118,893.54

5.3.2 Disclosure of notes receivable under the methods of provision for bad debts by category

Category	As at June 30, 2025					As at December 31, 2024				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value
Provision for bad debts on portfolio basis of credit risk characteristics	322,068,225.19	100.00	2,628,921.06	0.82	319,439,304.13	277,385,023.79	100.00	8,266,130.25	2.98	269,118,893.54
Total	322,068,225.19	100.00	2,628,921.06		319,439,304.13	277,385,023.79	100.00	8,266,130.25		269,118,893.54

Provision for bad debts on portfolio basis of credit risk characteristics:

Provision for bad debts accrued on a portfolio basis:

Name	As at June 30, 2025		
	Notes receivable	Provision for bad debts	Proportion of provision (%)
Commercial acceptance bills	67,549,806.00	2,628,921.06	0.04
Bank acceptance bills	254,518,419.19		
Total	322,068,225.19	2,628,921.06	

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.3 Notes receivable (Continued)****5.3.3 Provision, reversal or recovery of provision for bad debts in 2025**

Category	As at December 31, 2024	Changes in the current period			As at June 30, 2025
		Provision	Reversal or recovery	Write-off or charge-off	
Commercial acceptance bills	8,266,130.25	-5,637,209.19			2,628,921.06
Total	8,266,130.25	-5,637,209.19			2,628,921.06

Note: Bad debts are accrued for commercial acceptance bills based on accounts receivable from non-related parties.

5.3.4 Notes receivable pledged as at June 30, 2025

None.

5.3.5 Notes receivable endorsed or discounted but undue as at June 30, 2025

None.

5.3.6 Notes receivable actually written off in the current period

None.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

5.4 Accounts receivable

5.4.1 Disclosure of accounts receivable (based on invoice date)

	As at June 30, 2025	As at December 31, 2024
Aging		
Within 1 year	4,148,447,404.83	4,364,620,502.58
Including: Subitem within 1 year		
Within 6 months	2,673,701,794.54	3,226,636,111.47
7-12 months	1,474,745,610.29	1,137,984,391.11
1-2 years	1,235,590,369.40	886,220,736.59
2-3 years	342,556,494.05	402,295,600.60
3-4 years	207,960,518.61	73,320,330.14
4-5 years	77,740,744.00	118,265,867.07
Over 5 years	248,992,494.78	216,073,340.60
Sub-total	6,261,288,025.67	6,060,796,377.58
Less: Provision for bad debts	930,067,171.32	1,101,521,334.95
Total	5,331,220,854.35	4,959,275,042.63

5.4.2 Disclosure of accounts receivable under the methods of provision for bad debts by category

	As at June 30, 2025					As at December 31, 2024				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value
Category	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value
Provision for bad debts accrued on an individual basis	871,966,872.63	13.93	589,703,339.57	67.63	282,263,533.06	991,090,927.04	16.35	678,930,799.02	68.50	312,160,128.02
Provision for bad debts accrued on a portfolio basis of credit risk characteristics	5,389,321,153.04	86.07	340,363,831.75	6.32	5,048,957,321.29	5,069,705,450.54	83.65	422,590,535.93	8.34	4,647,114,914.61
Total	6,261,288,025.67	100.00	930,067,171.32		5,331,220,854.35	6,060,796,377.58	100.00	1,101,521,334.95		4,959,275,042.63

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.4 Accounts receivable (Continued)****5.4.2 Disclosure of accounts receivable under the methods of provision for bad debts by category (Continued)**

Provision for bad debts accrued on an individual basis:

Name	As at June 30, 2025				As at December 31, 2024	
	Book balance	Provision for bad debts	Proportion of provision (%)	Reason for provision	Book balance	Provision for bad debts
Customer 1	183,048,986.24	183,048,986.24	100.00	Uncertainty about recoverability	183,048,986.24	183,048,986.24
Customer 2	169,214,157.25	164,317,144.83	97.11	Operational difficulties	152,324,888.49	136,008,394.28
Customer 3	70,238,348.38	70,238,348.38	100.00	Uncertainty about recoverability	62,246,713.30	34,005,774.28
Customer 4	274,115,632.91	61,545,139.99	22.45	Poor financial situation	365,284,128.99	155,618,574.91
Customer 5	44,514,990.16	29,089,522.87	65.35	Operational difficulties	58,067,768.15	46,120,987.18
Customer 6	20,176,095.68	20,176,095.68	100.00	Operational difficulties	20,485,816.45	20,485,816.45
Customer 7	11,695,596.21	11,695,596.21	100.00	Operational difficulties	11,875,133.88	11,875,133.87
Customer 8	27,387,554.61	10,511,970.13	38.38	Operational difficulties	54,790,349.25	39,282,877.72
Customer 9	5,810,497.00	5,810,497.00	100.00	Operational difficulties	6,116,277.54	4,803,005.09
Customer 10	5,114,265.00	5,114,265.00	100.00	Operational difficulties	5,192,773.45	5,192,773.45
Other customers	60,650,749.19	28,155,773.24	46.42		71,658,091.30	42,488,475.55
Total	871,966,872.63	589,703,339.57			991,090,927.04	678,930,799.02

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.4 Accounts receivable (Continued)****5.4.2 Disclosure of accounts receivable under the methods of provision for bad debts by category (Continued)**

Provision for bad debts accrued on a portfolio basis of credit risk characteristics:

Item accrued on a portfolio basis:

Name	As at June 30, 2025		
	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Accounts receivable from related parties	3,254,074,918.23		
Accounts receivable from non-related parties	2,135,246,234.81	340,363,831.75	15.94
Total	5,389,321,153.04	340,363,831.75	

5.4.3 Provision, reversal or recovery of provision for bad debts in 2025

Category	As at December 31, 2024	Changes in the current period				As at June 30, 2025
		Provision	Reversal/ Recovery	Write-off or charge-off	Other changes	
Accrued on an individual basis	678,930,799.02	-77,331,576.29	11,442,962.11		-452,921.05	589,703,339.57
Accrued on a portfolio basis	422,590,535.93	-82,133,488.23			-93,215.95	340,363,831.75
Total	1,101,521,334.95	-159,465,064.52	11,442,962.11		-546,137.00	930,067,171.32

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.4 Accounts receivable (Continued)****5.4.3 Provision, reversal or recovery of provision for bad debts in 2025 (Continued)**

Among them, the important accounts receivable reversal or recovery:

Name	Reversal/Recovery	Reason for reversal	Recovery method	The basis and rationality for determining the original bad debt provision
Customer 11	9,868,740.00	Winning the case in the second trial, and the other party paid according to the judgment	Bank transfers	Lost at first instance
Total	9,868,740.00			

5.4.4 Accounts receivable actually wrote off in 2025

None.

5.4.5 Top five of accounts receivable and contract assets as at June 31, 2025, presented by debtors

The sum amount of top five of accounts receivable and contract assets presented by debtors is RMB2,895,261,369.12, accounting for 45.50% of the total ending balance of accounts receivable and contract assets, and the corresponding ending balance of provision for bad debts is RMB202,911,640.34 in aggregate.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.5 Advances to suppliers****5.5.1 Presentation of advances to suppliers by aging**

Aging	As at June 30, 2025		As at December 31, 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	311,333,861.82	90.68	44,962,624.09	58.73
1 to 2 years	19,305,893.39	5.62	21,064,290.23	27.51
2 to 3 years	4,003,387.26	1.17	1,996,868.86	2.61
Over 3 years	8,690,016.76	2.53	8,538,165.42	11.15
Sub-total	343,333,159.23	100.00	76,561,948.60	100.00
Less: Provision for bad debts	3,562,755.57		3,562,755.57	
Total	339,770,403.66	100.00	72,999,193.03	100.00

5.5.2 Top five of advances to suppliers as at June 30, 2025, presented by prepaid objects

The sum amount of top five advances to suppliers presented based on the concentration ratio of prepaid objects amounted to RMB236,052,986.82, accounting for 68.75% of total ending balance of advances to suppliers.

5.6 Other receivables

Item	As at June 30, 2025	As at December 31, 2024
Interest receivable		
Dividends receivable	2,550,000.00	5,110,000.00
Other receivables	2,756,562,559.95	2,095,113,581.75
Total	2,759,112,559.95	2,100,223,581.75

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.6 Other receivables (Continued)****5.6.1 Dividends receivable***Details of dividends receivable*

Item (or investee)	As at June 30, 2025	As at December 31, 2024
Shanghai Civil Aviation East China Cares System Integration Co., Ltd	2,050,000.00	2,050,000.00
Xinjiang TravelSky E-surfing Science and Technology Co., Ltd.	500,000.00	500,000.00
Yunnan TravelSky Airport Network Co., Ltd.		2,560,000.00
Sub-total	2,550,000.00	5,110,000.00
Less: Provision for bad debts		
Total	2,550,000.00	5,110,000.00

5.6.2 Other receivables*(1) Disclosure by aging*

Aging	As at June 30, 2025	As at December 31, 2024
Within 1 year	2,623,375,872.02	1,965,319,760.16
Including: Subitem within 1 year		
Within 6 months	2,595,740,703.08	1,959,444,577.02
7-12 months	27,635,168.94	5,875,183.14
1-2 years	76,906,992.17	76,558,080.75
2-3 years	7,862,059.74	11,133,258.21
3-4 years	9,906,960.52	24,067,059.13
4-5 years	23,884,748.29	8,445,938.04
Over 5 years	14,733,314.48	9,696,872.73
Sub-total	2,756,669,947.22	2,095,220,969.02
Less: Provision for bad debts	107,387.27	107,387.27
Total	2,756,562,559.95	2,095,113,581.75

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.6 Other receivables (Continued)****5.6.2 Other receivables (Continued)****(2) Disclosure of other receivables under the methods of provision for bad debts by category**

Category	As at June 30, 2025					As at December 31, 2024				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value
Provision for bad debts accrued on an individual basis										
Provision for bad debts on portfolio basis of credit risk characteristics	2,756,669,947.22	100.00	107,387.27		2,756,562,559.95	2,095,220,969.02	100.00	107,387.27	0.01	2,095,113,581.75
Total	2,756,669,947.22	100.00	107,387.27		2,756,562,559.95	2,095,220,969.02	100.00	107,387.27		2,095,113,581.75

Provision for bad debts accrued on a portfolio basis of credit risk characteristics:

Item accrued on a portfolio basis:

Name	As at June 30, 2025		
	Other receivables	Provision for bad debts	Proportion of provision (%)
Non-related parties	1,889,378,226.41	107,387.27	0.01
Related parties	867,291,720.81		
Total	2,756,669,947.22	107,387.27	

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.6 Other receivables (Continued)****5.6.2 Other receivables (Continued)****(3) Provision for bad debts**

	Phase 1	Phase 2	Phase 3	
		Expected	Expected	
		credit losses	credit losses	
	Expected	for the entire	for the entire	
	credit losses	duration	duration	
	in the next 12	(no credit	(credit	
	months	impairment)	impairment)	Total
Provision for bad debts				
Balance as at				
December 31, 2024		107,387.27		107,387.27
In 2025, balance as at				
December 31, 2024				
— Transfer to Phase 2				
— Transfer to Phase 3				
— Reversal from Phase 2				
— Reversal from Phase 1				
Provision in 2025				
Reversal in 2025				
Charge-off in 2025				
Write-off in 2025				
Other changes				
Balance as at				
June 30, 2025		107,387.27		107,387.27

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

5.6 Other receivables (Continued)

5.6.2 Other receivables (Continued)

(3) Provision for bad debts (Continued)

Changes in the book balance of other receivables are as follows:

	Phase 1 Expected credit losses in the next 12 months	Phase 2 Expected credit losses for the entire duration (no credit impairment)	Phase 3 Expected credit losses for the entire duration (credit impairment)	Total
Provision for bad debts				
Balance as at				
December 31, 2024	2,095,113,581.75	107,387.27		2,095,220,969.02
In 2025, balance as at				
December 31, 2024				
— Transfer to Phase 2				
— Transfer to Phase 3				
— Reversal from Phase 2				
— Reversal from Phase 1				
Increase in 2025	661,547,329.22			661,547,329.22
Derecognition in 2025				
Other changes	-98,351.02			-98,351.02
Balance as at				
June 30, 2025	2,756,562,559.95	107,387.27		2,756,669,947.22

(4) Provision, reversal or recovery of provision for bad debts in 2025

Category	As at December 31, 2024	Changes in the current period				As at June 30, 2025
		Provision	Reversal/ Recovery	Write-off or charge-off	Other changes	
Accrued on a portfolio basis	107,387.27					107,387.27
Total	107,387.27					107,387.27

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.6 Other receivables (Continued)****5.6.2 Other receivables (Continued)****(5) Classification of other receivables by the nature of payment**

Nature	As at June 30, 2025	As at December 31, 2024
Various margin, deposit and loan of reserve fund	23,600,256.50	26,484,314.30
Current loans	155,189,157.01	110,205,380.07
Settlement and clearing payments	1,532,482,417.43	1,118,645,018.23
Factoring receivables	1,045,398,116.28	839,886,256.42
Total	2,756,669,947.22	2,095,220,969.02

(6) Top five of other receivable as at June 30, 2025, presented by debtors

The summary amount of top five of other receivables presented by debtors is RMB996,637,416.94, accounting for 36.16% of the total ending balances of other receivables. The corresponding provision for bad debts has a summary amount of RMB0.00 at the end of the period.

5.7 Inventories

Item	As at June 30, 2025			As at December 31, 2024		
	Book balance	Provision for depreciation of inventories/ Provision for impairment of contractual performance costs	Book value	Book balance	Provision for depreciation of inventories/ Provision for impairment of contractual performance costs	Book value
Merchandise inventories	47,186,979.04		47,186,979.04	44,299,211.12		44,299,211.12
Contract performance cost	60,768,962.46		60,768,962.46	37,387,581.50		37,387,581.50
Total	107,955,941.50		107,955,941.50	81,686,792.62		81,686,792.62

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.8 Contract assets****5.8.1 Contract assets**

Item	As at June 30, 2025			As at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
System integration service contracts	102,365,062.48	27,737,706.87	74,627,355.61	73,812,464.11	29,811,611.84	44,000,852.27
Total	102,365,062.48	27,737,706.87	74,627,355.61	73,812,464.11	29,811,611.84	44,000,852.27

5.8.2 Amount from significant change in book value and reason therefor during the reporting period

Item	Changed amount	Reason for change
System integration service contracts	28,552,598.37	Amount increased due to changes in performance progress measurement
Total	28,552,598.37	

5.8.3 Classification disclosure of contract assets under method of provision for impairment

Category	As at June 30, 2025					As at December 31, 2024				
	Book balance	Provision for bad debts		Proportion of provision	Book value	Book balance	Provision for bad debts		Proportion of provision	Book value
		Amount	Proportion (%)				Amount	Proportion (%)		
Provision for impairment accrued on an individual basis	20,702,514.89	20.22	20,702,514.89	100.00		20,700,014.89	28.04	20,700,014.89	100.00	
Provision for impairment accrued on a portfolio basis of credit risk characteristics	81,662,547.59	79.78	7,035,191.98	8.61	74,627,355.61	53,112,449.22	71.96	9,111,596.95	17.16	44,000,852.27
Total	102,365,062.48	100.00	27,737,706.87		74,627,355.61	73,812,464.11	100.00	29,811,611.84		44,000,852.27

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.8 Contract assets (Continued)****5.8.3 Classification disclosure of contract assets under method of provision for impairment (Continued)**

Provision for impairment accrued on an individual basis:

Name	As at June 30, 2025				As at December 31, 2024	
	Amount	Provision for impairment	Proportion of provision (%)	Reason for provision	Amount	Provision for impairment
Customer A	20,702,514.89	20,702,514.89	100.00	Financial difficulties	20,700,014.89	20,700,014.89
Total	20,702,514.89	20,702,514.89			20,700,014.89	20,700,014.89

Provision for impairment accrued on a portfolio basis:

Item accrued on a portfolio basis:

Name	Balance as at June 30, 2025		
	Contract assets	Provision for impairment	Proportion of provision (%)
Non-related parties	81,420,694.19	7,035,191.98	8.64
Related parties	241,853.40		
Total	81,662,547.59	7,035,191.98	

5.8.4 Provision for impairment of contract assets in 2025

Item	Balance as at December 31, 2024	Increase/decrease in 2025				Balance as at June 30, 2025
		Provision in 2025	Reversal in 2025	Write-off/Charge-off in 2025	Other changes	
System integration service contracts	29,811,611.84	-2,063,487.97	5,924.81		-4,492.19	27,737,706.87
Total	29,811,611.84	-2,063,487.97	5,924.81		-4,492.19	27,737,706.87

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.9 Non-current assets maturing within one year**

Item	As at June 30, 2025	As at December 31, 2024
Time deposits and interest within one year	537,921,917.81	
Total	537,921,917.81	

Note: The time deposit is a China Construction Bank RMB time deposit certificate with an annual interest rate of 3.1% and a term of 1,097 days. It cannot be cancelled before maturity.

5.10 Other current assets

Item	As at June 30, 2025	As at December 31, 2024
Creditor investments maturing within one year	1,001,234,246.58	
Fixed deposits and interest within one year	30,405,333.33	50,357,638.88
Retained for VAT	199,818,751.93	141,482,016.86
Prepaid enterprise income tax	12,291,582.98	11,887,728.24
Total	1,243,749,914.82	203,727,383.98

Note: The time deposit consists of a one-year time deposit certificate held with China Minsheng Bank, with a principal amount of RMB30,000,000.00, an annual interest rate of 1.90%, and a term of 365 days.

Creditor investments consist of government bond reverse repurchase products, with a principal amount of RMB1,000,000,000.00, a product term of 28 days, and an annualised interest rate of 1.655%.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.11 Long-term equity investments****Details of long-term equity investments**

Investees	Balance of provision for impairment as at		Increase in investments	Decrease in investments	Gain/loss on investments recognized under equity method	Increase/decrease in 2025		Cash dividends or profits declared to be distributed	Provision for impairment in 2025	Others	Balance of provision for impairment as at	
	As at December 31, 2024	December 31, 2024				Adjustment to other comprehensive income	Change in other equity change				As at June 30, 2025	June 30, 2025
1. Joint ventures												
Heilongjiang TravelSky Airport Network Co., Ltd.	26,353,430.47				1,598,757.02						27,952,187.49	
Dalian TravelSky Airport Network LLC	26,365,554.68				-33,770.09						26,331,784.59	
Hebei TravelSky Airport Network Co., Ltd.	15,926,740.70				1,362,444.62						17,289,185.32	
Xinjiang TravelSky E-surfing Science and Technology Co., Ltd.	31,548,971.16				-5,405,295.10						26,143,676.06	
Yunnan TravelSky Airport Network Co., Ltd.	117,000,426.96				809,845.16						117,810,272.12	
Sub-total	217,195,123.97				-1,668,018.39						215,527,105.58	
2. Associates												
Beijing TravelSky Birun Technology Co., Ltd.	61,237,607.23				3,158,436.66						64,396,043.89	
TravelSky Mobile Technology Limited	252,754,446.41				-3,723,480.48						249,030,965.93	
Shanghai Civil Aviation East China Cares System Integration Co., Ltd.	94,315,008.91				-1,642,178.96						92,672,829.95	
Shenyang Civil Aviation Northeast Cares Co., Ltd.	164,649,228.86				7,037,581.58						171,686,810.44	
Chengdu Civil Aviation Southwest Cares Co., Ltd.	94,656,368.59				7,374,049.15						102,030,417.74	
Guangzhou Skyecho Information Technology Co., Ltd.	6,946,968.81				385,231.24						7,332,200.05	
Yantai TravelSky Airport Network Co., Ltd.	8,120,352.65				121,577.97						8,241,930.62	
Sub-total	682,679,981.46				12,711,217.16						695,391,198.62	
Total	899,875,105.43				11,043,198.77						910,918,304.20	

Note: In June 2025, the Company completed the transfer of all its equity interests in Shanghai Sky Pass Business Travel Agency Co. through the Beijing Property Rights Exchange. The equity transfer consideration was RMB121,001.00, and the related transaction costs were RMB5,708.49.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

5.12 Investments in other equity instruments

Details of other equity instrument investments

Item	As at December 31, 2024	Increase in investments	Decrease in investments	Profit recognized in other comprehensive income for the period	Loss included in other comprehensive income for the period	Others	As at June 30, 2025	Dividend income recognized during the period	Accumulated profit included in other comprehensive income	Accumulated losses included in other comprehensive income	Reasons for designation as at fair value through other comprehensive income
China Merchants RenHe Life Insurance Company Limited	1,004,312,400.00			39,514,800.00			1,043,827,200.00		168,827,200.00		Investment held by the Company for non-trading purposes
Total	1,004,312,400.00			39,514,800.00			1,043,827,200.00		168,827,200.00		

5.13 Other non-current financial assets

Item	As at June 30, 2025	As at December 31, 2024
Financial assets measured at fair value through the current profit or loss	996,866,936.75	1,017,411,627.32
Including: equity instrument investments	996,866,936.75	1,017,411,627.32
Total	996,866,936.75	1,017,411,627.32

Note: The equity instrument investment is the equity of China Mobile Equity Fund (Hebei Xiong'an) Partnership (Limited Partnership) held by the Company.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.14 Investment properties****5.14.1 Investment properties measured at cost**

Item	Buildings and constructions	Land use right	Total
1. Original book value			
(1) As at December 31, 2024	141,993,853.47	92,427,128.90	234,420,982.37
(2) Increase in 2025		2,858,571.10	2,858,571.10
— Others		2,858,571.10	2,858,571.10
(3) Decrease in 2025			
(4) As at June 30, 2025	141,993,853.47	95,285,700.00	237,279,553.47
2. Accumulated depreciation and accumulated amortisation			
(1) As at December 31, 2024	113,036,635.67	36,413,282.78	149,449,918.45
(2) Increase in 2025	3,296,097.18	4,001,999.50	7,298,096.68
— Provision or amortisation	3,296,097.18	1,143,428.40	4,439,525.58
— Others		2,858,571.10	2,858,571.10
(3) Decrease in 2025			
(4) As at June 30, 2025	116,332,732.85	40,415,282.28	156,748,015.13
3. Provision for impairment			
(1) As at December 31, 2024			
(2) Increase in 2025			
(3) Decrease in 2025			
(4) As at June 30, 2025			
4. Book value			
(1) As at June 30, 2025	25,661,120.62	54,870,417.72	80,531,538.34
(2) As at December 31, 2024	28,957,217.80	56,013,846.12	84,971,063.92

5.14.2 Investment properties with pending certificate of title

None.

5.15 Fixed assets**5.15.1 Fixed assets and disposal of fixed assets**

Item	As at June 30, 2025	As at December 31, 2024
Fixed assets	2,718,843,587.54	2,783,503,007.16
Disposal of fixed assets	156,518.54	661,525.36
Total	2,719,000,106.08	2,784,164,532.52

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

5.15 Fixed assets (Continued)

5.15.2 Breakdown of fixed assets

Item	Buildings and constructions	Machinery equipment	Motor vehicles	Electronic equipment	Office equipment	Others	Total
1. Original book value							
(1) As at December 31, 2024	2,993,962,027.20	780,915,947.13	69,281,893.84	2,765,406,293.81	1,145,189,453.96	26,238,688.22	7,780,994,304.16
(2) Increase in 2025			1,626,989.09	64,797,695.01	529,342.32	304,127.06	67,258,153.48
— Purchase			1,626,989.09	62,851,714.73	2,475,322.60	304,127.06	67,258,153.48
— Category adjustment				1,945,980.28	-1,945,980.28		
(3) Decrease in 2025	446,457.75		5,358,824.17	1,462,880.72	475,148.84	1,240,677.76	8,983,989.24
— Disposal or scrapping	446,457.75		5,351,412.52	2,230,355.67	966,665.68	1,228,519.20	10,223,410.82
— Effect of foreign exchange			7,411.65	-767,474.95	-491,516.84	12,158.56	-1,239,421.58
(4) As at June 30, 2025	2,993,515,569.45	780,915,947.13	65,550,058.76	2,828,741,108.10	1,145,243,647.44	25,302,137.52	7,839,268,468.40
2. Accumulated depreciation							
(1) As at December 31, 2024	858,741,077.06	713,410,488.52	58,956,680.77	2,257,521,515.80	1,071,763,930.39	23,885,430.92	4,984,279,123.46
(2) Increase in 2025	49,116,396.04	1,670,713.86	1,283,048.86	72,893,729.72	6,293,776.68	379,718.29	131,637,383.45
— Provision	49,116,396.04	1,670,713.86	1,283,048.86	72,035,766.76	7,151,739.64	379,718.29	131,637,383.45
— Assets category adjustment				857,962.96	-857,962.96		
(3) Decrease in 2025	112,777.09		5,191,487.70	1,756,257.24	446,233.06	1,197,044.50	8,703,799.59
— Disposal or scrapping	112,777.09		5,190,870.07	2,484,110.46	937,176.39	1,187,347.08	9,912,281.09
— Effect of foreign exchange			617.63	-727,853.22	-490,943.33	9,697.42	-1,208,481.50
(4) As at June 30, 2025	907,744,696.01	715,081,202.38	55,048,241.93	2,328,658,988.28	1,077,611,474.01	23,068,104.71	5,107,212,707.32
3. Provision for impairment							
(1) As at December 31, 2024		6,322,675.59		6,889,497.95			13,212,173.54
(2) Increase in 2025							
(3) Decrease in 2025							
(4) As at June 30, 2025		6,322,675.59		6,889,497.95			13,212,173.54
4. Book value							
(1) As at June 30, 2025	2,085,770,873.44	59,512,069.16	10,501,816.83	493,192,621.87	67,632,173.43	2,234,032.81	2,718,843,587.54
(2) As at December 31, 2024	2,135,220,950.14	61,182,783.02	10,325,213.07	500,995,280.06	73,425,523.57	2,353,257.30	2,783,503,007.16

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.15 Fixed assets (Continued)****5.15.3 Details of fixed assets leased under operating lease**

Item	Buildings and constructions	Office equipment	Others	Total
1. Original book value				
(1) As at December 31, 2024	143,891,572.86	5,319,202.87	2,198,230.10	151,409,005.83
(2) Increase in 2025				
(3) Decrease in 2025	61,237,417.35		2,198,230.10	63,435,647.45
— Others	61,237,417.35		2,198,230.10	63,435,647.45
(4) As at June 30, 2025	82,654,155.51	5,319,202.87		87,973,358.38
2. Accumulated depreciation				
(1) As at December 31, 2024	16,343,773.61	4,991,414.42	221,919.24	21,557,107.27
(2) Increase in 2025	9,715,686.14	168,212.37	252,821.88	10,136,720.39
— Provision	1,002,181.64	168,212.37	252,821.88	1,423,215.89
— Others	8,713,504.50			8,713,504.50
(3) Decrease in 2025	5,013,645.26		474,741.12	5,488,386.38
— Others	5,013,645.26		474,741.12	5,488,386.38
(4) As at June 30, 2025	21,045,814.49	5,159,626.79		26,205,441.28
3. Provision for impairment				
(1) As at December 31, 2024				
(2) Increase in 2025				
(3) Decrease in 2025				
(4) As at June 30, 2025				
4. Book value				
(1) As at June 30, 2025	61,608,341.02	159,576.08		61,767,917.10
(2) As at December 31, 2024	127,547,799.25	327,788.45	1,976,310.86	129,851,898.56

5.15.4 Fixed assets without certificate of title

None.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.15 Fixed assets (Continued)****5.15.5 Disposal of fixed assets**

Item	As at June 30, 2025	As at December 31, 2024
Scrapping of fixed assets to be approved	156,518.54	661,525.36
Total	156,518.54	661,525.36

5.16 Construction in progress**5.16.1 Construction in progress and project materials**

Item	As at June 30, 2025			As at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Construction in progress	40,448,633.31		40,448,633.31	37,609,010.67		37,609,010.67
Project materials						
Total	40,448,633.31		40,448,633.31	37,609,010.67		37,609,010.67

5.16.2 Breakdown of construction in progress

Item	As at June 30, 2025			As at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
China Aviation Information Technology Industrial Park Construction Project (Phase II)	16,284,225.24		16,284,225.24	13,444,602.60		13,444,602.60
(Yuzhuang) Second Road Electricity Project	24,164,408.07		24,164,408.07	24,164,408.07		24,164,408.07
Total	40,448,633.31		40,448,633.31	37,609,010.67		37,609,010.67

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.16 Construction in progress (Continued)****5.16.3 Changes in major items of construction in progress in 2025**

Item	Budget	As at December 31, 2024	Increase in 2025	Transfer into fixed assets in 2025	Other decreases in 2025	As at June 30, 2025	Proportion of the project's cumulative investment in the budget (%)	Project progress	Cumulative amount of interest capitalization	Of which: the amount of interest capitalized in the current period	Current interest capitalization rate (%)	Sources of funds
China Aviation Information Technology Industrial Park Construction Project (Phase II)	938,492,800.00	13,444,602.60	2,839,622.64			16,284,225.24	1.74	Under construction				Own capital
(Yuzhuang) Second Road Electricity Project	44,290,000.00	24,164,408.07				24,164,408.07	54.56	Under construction				Own capital
Total		37,609,010.67	2,839,622.64			40,448,633.31						

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

5.17 Right-of-use assets

Breakdown of right-of-use assets

Item	Buildings and constructions	Others	Total
1. Original book value			
(1) As at December 31, 2024	176,687,521.17	35,616.04	176,723,137.21
(2) Increase in 2025	322,725,518.65	63,028.73	322,788,547.38
— New lease	322,725,518.65	63,028.73	322,788,547.38
(3) Decrease in 2025	129,035,526.29		129,035,526.29
— Expiration of lease	123,226,406.90		123,226,406.90
— Early termination	8,535,828.49		8,535,828.49
— Effect of foreign exchange	-2,726,709.10		-2,726,709.10
(4) As at June 30, 2025	370,377,513.53	98,644.77	370,476,158.30
2. Accumulated depreciation			
(1) As at December 31, 2024	130,645,496.41	4,452.03	130,649,948.44
(2) Increase in 2025	52,789,959.22	16,440.84	52,806,400.06
— Provision	52,789,959.22	16,440.84	52,806,400.06
(3) Decrease in 2025	112,918,827.09		112,918,827.09
— Expiration of lease	107,964,756.74		107,964,756.74
— Early termination	7,291,020.40		7,291,020.40
— Effect of foreign exchange	-2,336,950.05		-2,336,950.05
(4) As at June 30, 2025	70,516,628.54	20,892.87	70,537,521.41
3. Provision for impairment			
(1) As at December 31, 2024	2,183,341.71		2,183,341.71
(2) Increase in 2025			
(3) Decrease in 2025	2,183,341.71		2,183,341.71
— Expiration of lease	2,437,688.24		2,437,688.24
— Effect of foreign exchange	-254,346.53		-254,346.53
(4) As at June 30, 2025			
4. Book value			
(1) As at June 30, 2025	299,860,884.99	77,751.90	299,938,636.89
(2) As at December 31, 2024	43,858,683.05	31,164.01	43,889,847.06

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.18 Intangible assets****5.18.1 Breakdown of intangible assets**

Item	Land use rights	Patents	Non-patented technology	Software	Data resource			Total
					Obtained from outsourcing	self-developed and obtained	Obtained by other means	
1. Original book value								
(1) As at December 31, 2024	2,074,172,872.81	2,916,122.26	86,419,716.32	3,247,380,857.70		38,550,618.09		5,449,440,187.18
(2) Increase in 2025	2,858,571.10		259,821.23	20,383,093.19				23,501,485.52
— Purchase			259,821.23	7,181,849.41				7,441,670.64
— Internal R&D				13,201,243.78				13,201,243.78
— Others	2,858,571.10							2,858,571.10
(3) Decrease in 2025				-1,711,778.95				-1,711,778.95
— Disposition				8,090,048.26				8,090,048.26
— Effect of foreign exchange				-9,801,827.21				-9,801,827.21
(4) As at June 30, 2025	2,077,031,443.91	2,916,122.26	86,679,537.55	3,269,475,729.84		38,550,618.09		5,474,653,451.65
2. Accumulated depreciation								
(1) As at December 31, 2024	766,333,901.29	531,112.71	61,212,918.31	2,604,621,845.33		11,899,836.96		3,444,599,614.60
(2) Increase in 2025	28,676,418.16	145,806.12	4,159,860.49	202,320,007.39		6,425,103.06		241,727,195.22
— Provision	25,817,847.06	145,806.12	4,159,860.49	202,320,007.39		6,425,103.06		238,868,624.12
— Others	2,858,571.10							2,858,571.10
(3) Decrease in 2025				2,509,420.43				2,509,420.43
— Disposition				8,090,048.26				8,090,048.26
— Effect of foreign exchange				-5,580,627.83				-5,580,627.83
(4) As at June 30, 2025	795,010,319.45	676,918.83	65,372,778.80	2,804,432,432.29		18,324,940.02		3,683,817,389.39
3. Provision for impairment								
(1) As at December 31, 2024								
(2) Increase in 2025								
(3) Decrease in 2025								
(4) As at June 30, 2025								
4. Book value								
(1) As at June 30, 2025	1,282,021,124.46	2,239,203.43	21,306,758.75	465,043,297.55		20,225,678.07		1,790,836,062.26
(2) As at December 31, 2024	1,307,838,971.52	2,385,009.55	25,206,798.01	642,759,012.37		26,650,781.13		2,004,840,572.58

Intangible assets formed through in-house research and development accounted for 24.56% of the intangible asset balance at the end of the period.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

5.18 Intangible assets (Continued)

5.18.2 Status of intangible assets of data resources

(1) Intangible assets of data resources with indefinite useful lives

None.

(2) Intangible assets of a single data resource with a significant impact

None.

5.18.3 Status of land use rights for which no title deeds have been issued

None.

5.19 Goodwill

Changes in goodwill

Name of the investee or matters forming goodwill	As at December 31, 2024	Increase in 2025		Decrease in 2025		As at June 30, 2025
		Formed from the business combination	Others	Disposal	Others	
Original book value						
Guangzhou Skyecho Information Technology Limited	260,400.76					260,400.76
OpenJaw Technologies Limited	152,334,357.62					152,334,357.62
Sub-total	152,594,758.38					152,594,758.38
Provision for impairment						
Guangzhou Skyecho Information Technology Limited						
OpenJaw Technologies Limited	152,334,357.62					152,334,357.62
Subtotal	152,334,357.62					152,334,357.62
Book value	260,400.76					260,400.76

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.20 Long-term deferred expenses**

Item	As at December 31, 2024	Increase in 2025	Amortization in 2025	Other decreases	As at June 30, 2025
Various types of renovation and transformation works	25,919,254.65	16,582,451.09	10,568,285.60	7,538.52	31,925,881.62
Total	25,919,254.65	16,582,451.09	10,568,285.60	7,538.52	31,925,881.62

5.21 Deferred tax assets and deferred tax liabilities**5.21.1 Deferred tax assets before offset**

Item	As at June 30, 2025		As at December 31, 2024	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	925,428,768.05	139,667,616.41	1,097,918,213.44	165,512,983.67
Employee compensation payable accrued more than actually paid	206,946,471.07	31,041,970.66	265,313,933.33	39,797,090.00
Amortization of intangible assets	1,164,722,812.32	174,710,819.84	1,077,797,544.25	161,672,029.63
Accrued expenses	1,319,875,441.87	197,981,316.28	1,097,663,698.07	164,649,554.71
Fixed assets depreciation	257,211.27	42,439.86	261,159.70	43,091.35
Contract liabilities	271,780,810.47	40,767,121.57	395,059,221.20	59,258,883.18
Temporary differences due to lease liabilities	316,849,121.42	48,535,436.83	48,689,720.11	7,555,210.15
Offset amount	-298,463,338.54	-45,730,828.36	-41,559,144.02	-6,457,805.25
Total	3,907,397,297.93	587,015,893.09	3,941,144,346.08	592,031,037.44

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.21 Deferred tax assets and deferred tax liabilities (Continued)****5.21.2 Deferred tax liabilities before offset**

Item	As at June 30, 2025		As at December 31, 2024	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of financial instruments held for trading and other non-current financial assets	195,022,258.67	29,253,338.80	185,623,751.80	27,843,562.77
Taxable difference arising from asset evaluation increment	25,783,081.87	6,359,497.29	27,669,767.17	6,642,500.08
Difference arising from accelerated depreciation of fixed assets	28,052,515.06	4,214,288.03	31,491,505.08	4,746,894.03
Amortization of intangible assets	47,035,290.80	5,879,411.35	42,127,664.56	5,265,958.07
Temporary differences due to right-of-use assets	300,647,831.17	46,157,382.32	42,961,890.06	6,659,915.78
Changes in fair value of investments in other equity instruments	168,827,200.00	25,324,080.00	129,312,400.00	19,396,860.00
Offset amount	-298,463,338.54	-45,730,828.36	-41,559,144.02	-6,457,805.25
Total	466,904,839.03	71,457,169.43	417,627,834.65	64,097,885.48

5.21.3 Details of unrecognized deferred tax assets

Item	As at June 30, 2025	As at December 31, 2024
Deductible losses	52,085,279.13	16,164,780.62
Total	52,085,279.13	16,164,780.62

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.21 Deferred tax assets and deferred tax liabilities (Continued)****5.21.4 Deductible losses from unrecognized deferred tax assets will be expired in the following years**

Year	As at June 30, 2025	As at December 31, 2024	Remark
2025			
2026	265,207.86	265,207.86	
2027	2,194,158.89	2,194,158.89	
2028	1,878,478.27	1,878,478.27	
2029	3,144,399.65	3,144,399.65	
2030	6,116,120.04	2,485,606.98	
2031			
2032			
2033	6,196,928.97	6,196,928.97	
2034			
2035	32,289,985.45		
Total	52,085,279.13	16,164,780.62	

5.22 Other non-current assets

Item	As at June 30, 2025			As at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Time deposits and interest over one year	142,656,083.32		142,656,083.32	651,357,806.69		651,357,806.69
Total	142,656,083.32		142,656,083.32	651,357,806.69		651,357,806.69

Note: For time certificates of deposit held by Ping An Bank, Bank of Communications and China Minsheng Banking Corporation for a period of more than one year, of which RMB20,000,000.00 of Ping An Bank, with an interest rate of 2.60% per annum, a maturity period of 1,097 days; RMB60,000,000.00 of Bank of Communications, with an interest rate of 2.15%–2.40% per annum, and a maturity period of 1,096 days; RMB40,000,000.00 of China Minsheng Banking Corporation, with an interest rate of 2.60% per annum, a maturity period of 1,097 days; and increase during the period, China Minsheng Banking Corporation, RMB20,000,000.00, certificates of deposit with interest rates ranging from 1.75% per annum and a term of 1,097 days.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.23 Assets with restricted ownership or use**

Item	As at June 30, 2025				As at December 31, 2024			
	Carrying amount	Book value	Type of restriction	Restrictions	Carrying amount	Book value	Type of restriction	Restrictions
Cash and cash equivalents	1,821,610,828.61	1,821,610,828.61	Other	Provisions for payment operations, performance bonds, channelisation deposits for payments	1,490,398,550.10	1,490,398,550.10	Other	Provisions for payment operations, performance bonds, property preservation, channelisation deposits for payments
Non-current assets due within one year	537,921,917.81	537,921,917.81	Other	Ring-fenced funds and interest thereon				
Other non-current assets					530,171,917.81	530,171,917.81	Other	Ring-fenced funds and interest thereon
Total	2,359,532,746.42	2,359,532,746.42			2,020,570,467.91	2,020,570,467.91		

5.24 Short-term borrowings**5.24.1 Classification of short-term borrowings**

Item	As at June 30, 2025	As at December 31, 2024
Credit borrowings	924,560,664.59	1,203,300,592.42
Total	924,560,664.59	1,203,300,592.42

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.24 Short-term borrowings (Continued)****5.24.2 Specific information about the borrowings**

Lending bank	Borrowed principal (RMB)	Start and end dates		Interest Rate Agreement (Annual interest rate %)
		Start	End	
China CITIC Bank Beijing Branch	134,184,083.79	2025/4/28	2026/4/28	One-year LPR reduction 0.65
China CITIC Bank Beijing Branch	151,250,111.88	2025/5/28	2026/5/28	One-year LPR reduction 0.65
China Merchants Bank Co., Ltd. Tianjin Branch	44,956,571.05	2025/5/20	2026/5/19	One-year LPR reduction 0.75
China Merchants Bank Co., Ltd. Tianjin Branch	40,271,885.60	2025/6/10	2026/6/9	One-year LPR reduction 0.75
China Merchants Bank Co., Ltd. Tianjin Branch	49,333,976.47	2025/6/17	2026/6/16	One-year LPR reduction 0.75
Shanghai Bank Co., Ltd. Beijing Branch	50,000,000.00	2025/6/27	2025/9/7	2.85
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	35,000,000.00	2025/3/25	2025/9/24	One-year LPR reduction 0.70
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	17,000,000.00	2025/3/27	2025/9/26	One-year LPR reduction 0.70
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	47,000,000.00	2025/5/27	2025/11/26	One-year LPR reduction 0.80
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	22,000,000.00	2025/5/28	2025/11/26	One-year LPR reduction 0.80
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	22,000,000.00	2025/5/29	2025/11/26	One-year LPR reduction 0.80
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	28,000,000.00	2025/6/19	2025/12/18	One-year LPR reduction 0.80
The Industrial and Commercial Bank of China Limited Beijing Dongcheng Sub-branch	50,000,000.00	2024/9/25	2025/9/24	One-year LPR reduction 0.49
Beijing Rural Commercial Bank Co., Ltd. Fengtai Sub-branch	100,000,000.00	2025/3/21	2025/11/22	One-year LPR reduction 0.80
Shanghai Pudong Development Bank Co., Ltd. Tianjin Branch	98,000,000.00	2025/4/11	2025/10/11	One-year LPR reduction 0.70
Shanghai Pudong Development Bank Co., Ltd. Tianjin Branch	28,423,145.58	2025/6/25	2026/6/24	One-year LPR reduction 0.80
Shanghai Pudong Development Bank Co., Ltd. Tianjin Branch	6,576,854.42	2025/6/26	2026/6/25	One-year LPR reduction 0.80
Total	923,996,628.79			

Note: The borrowing entity is Antu Jinxin Commercial Factoring Co., Ltd., the sub-subsidiary of the Company.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.25 Accounts payable****5.25.1 Presentation of accounts payable (based on invoice dates)**

Item	As at June 30, 2025	As at December 31, 2024
Within 1 year (including 1 year)	1,335,822,534.30	1,549,348,182.83
1-2 years (including 2 years)	620,570,952.61	340,985,846.69
2-3 years (including 3 years)	135,545,316.53	186,806,682.64
Over 3 years	117,340,882.90	110,259,454.78
Total	2,209,279,686.34	2,187,400,166.94

5.25.2 Significant account payables with aging over one year or past due

Item	As at June 30, 2025	Reason for no repayment or carry-forward
Shanghai CAAC Huadong Kaiya System Integration Co., Ltd.	68,926,623.04	Business is conducted on a continuous rolling basis
Total	68,926,623.04	

5.26 Contract liabilities**5.26.1 Details of contract liabilities**

Item	As at June 30, 2025	As at December 31, 2024
System integration service contract	815,475,346.83	645,608,277.80
Total	815,475,346.83	645,608,277.80

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.26 Contract liabilities (Continued)****5.26.2 Significant contractual liabilities aged over one year**

Item	As at June 30, 2025	Reasons for non-reimbursement or carry-over
Air China Limited	101,714,446.47	Performance obligations not yet completed
China Eastern Airlines Corporation Limited	97,395,402.26	Performance obligations not yet completed
China Southern Airlines Company Limited	89,489,116.90	Performance obligations not yet completed
Shanghai Airlines Co., Ltd.	76,911,038.54	Performance obligations not yet completed
Sichuan Airlines Co., Ltd.	24,412,881.81	Performance obligations not yet completed
Total	389,922,885.98	

5.26.3 Amount from significant change in book value and reason therefor during the reporting period

Item	Changed amount	Reason for change
System integration service contract	169,867,069.03	Increase in uncompleted business during the period
Total	169,867,069.03	

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.27 Employee compensation payable****5.27.1 Presentation of employee benefits payable**

Item	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at June 30, 2025
Short-term compensation	265,015,401.34	838,333,153.57	875,254,434.44	228,094,120.47
Post-employment benefits — defined contribution plans	19,246,293.77	164,796,797.51	155,436,658.14	28,606,433.14
Dismissal benefits	68,614.85	416,917.06	389,327.31	96,204.60
Other benefits due within one year				
Others	6,237,914.25	5,889,278.88	6,790,289.55	5,336,903.58
Total	290,568,224.21	1,009,436,147.02	1,037,870,709.44	262,133,661.79

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.27 Employee compensation payable (Continued)****5.27.2 Presentation of short-term compensation**

Item	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at June 30, 2025
(1) Salaries, bonuses, allowances and subsidies	162,152,695.83	576,528,789.85	642,031,941.32	96,649,544.36
(2) Employee welfare		56,179,128.29	56,179,128.29	
(3) Social insurance premiums	2,044,338.32	96,337,111.13	90,754,704.66	7,626,744.79
Including: Medical insurance premium	931,816.23	89,306,591.38	83,850,883.64	6,387,523.97
Work-related injury insurance premium	133,450.22	1,995,674.40	1,881,137.28	247,987.34
Maternity insurance premium	979,071.87	5,034,845.35	5,022,683.74	991,233.48
(4) Housing provident funds	3,197,151.68	81,719,684.25	75,239,825.06	9,677,010.87
(5) Labor union expenditures and employee education funds	97,621,215.51	27,568,440.05	11,048,835.11	114,140,820.45
(6) Short-term compensated absences				
(7) Short-term profit sharing plan				
Total	265,015,401.34	838,333,153.57	875,254,434.44	228,094,120.47

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.27 Employee compensation payable (Continued)****5.27.3 Presentation of defined contribution plans**

Item	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at June 30, 2025
Basic endowment insurance premium	2,649,289.10	113,848,446.19	104,807,992.55	11,689,742.74
Unemployment insurance premium	-71,944.07	3,697,696.58	3,420,794.37	204,958.14
Enterprise annuity payment	16,668,948.74	47,250,654.74	47,207,871.22	16,711,732.26
Total	19,246,293.77	164,796,797.51	155,436,658.14	28,606,433.14

5.28 Taxes payable

Taxes and surcharges	As at June 30, 2025	As at December 31, 2024
Value-added tax	8,402,602.84	14,422,227.08
Consumption tax		2,564.51
Corporate income tax	58,833,802.84	79,039,645.93
Individual income tax	36,803,784.08	76,287,256.56
Urban maintenance and construction tax	3,241,539.15	4,281,711.44
House property tax	1,568,686.61	1,293,318.52
Educational surcharge	2,405,526.24	3,311,236.99
Resource tax	3,382.00	
Land use tax	142,608.91	142,770.48
Others	1,369,232.23	2,585,962.06
Total	112,771,164.90	181,366,693.57

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.29 Other payables**

Item	As at June 30, 2025	As at December 31, 2024
Interest payable		
Dividends payable	721,987,888.11	22,784,396.34
Other payables	2,499,700,832.00	1,929,204,076.46
Total	3,221,688,720.11	1,951,988,472.80

5.29.1 Dividends payable

Item	As at June 30, 2025	As at December 31, 2024
Ordinary share dividends	721,987,888.11	22,784,396.34
Total	721,987,888.11	22,784,396.34

5.29.2 Other payables*Presentation in terms of nature*

Item	As at June 30, 2025	As at December 31, 2024
E-commerce payment business	1,781,306,684.84	1,436,508,716.22
Settlement and clearing business payment	622,762,554.29	379,994,602.76
Current amounts	35,724,244.27	69,874,257.81
Social insurance and provident funds	29,215,143.30	5,848,626.10
Guaranteed deposits and deposits, etc.	30,692,205.30	36,977,873.57
Total	2,499,700,832.00	1,929,204,076.46

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.30 Non-current liabilities maturing within one year**

Item	As at June 30, 2025	As at December 31, 2024
Long-term borrowing due within one year		200,213,888.89
Lease liabilities due within one year	112,954,536.69	41,364,102.61
Total	112,954,536.69	241,577,991.50

5.31 Other current liabilities

Item	As at June 30, 2025	As at December 31, 2024
Output tax to be carried forward	48,263,726.50	22,905,296.79
Total	48,263,726.50	22,905,296.79

5.32 Long-term borrowings

Item	As at June 30, 2025	As at December 31, 2024
Credit borrowings	471,540,311.11	
Total	471,540,311.11	

Note: The loan is national project funds received by the parent company of the Company. In accordance with the relevant documents issued by the State-owned Assets Supervision and Administration Commission of the State Council, the loan is injected into the Company in the form of a commission loan. The principal amount of the loan is RMB471,200,000.00, with a loan term from May 8, 2025 to May 8, 2028. The annual interest rate is 2.60%, with interest paid quarterly and the principal repaid in full at maturity.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.33 Lease liabilities**

Item	As at June 30, 2025	As at December 31, 2024
Lease payments	198,907,817.92	10,006,413.39
Less: Financing charges unrecognized	6,187,277.13	1,752,839.21
Total	192,720,540.79	8,253,574.18

5.34 Long-term payables

Item	As at June 30, 2025	As at December 31, 2024
Long-term payables		
Special payables	415,709.35	400,237.65
Total	415,709.35	400,237.65

Special payables

Item	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at June 30, 2025
Item 1	395,709.35			395,709.35
Item 2	4,528.30		4,528.30	
Item 3		100,000.00	80,000.00	20,000.00
Total	400,237.65	100,000.00	84,528.30	415,709.35

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.35 Provisions**

Item	As at			As at
	December 31, 2024	Increase in 2025	Decrease in 2025	June 30, 2025
Payment of business risk reserve	20,000.00			20,000.00
Leasehold restoration costs		1,146,234.61	8,730.85	1,137,503.76
Total	20,000.00	1,146,234.61	8,730.85	1,157,503.76

Note: Beijing Yake Technology Development Co., Ltd., a sub-subsidiary of the Group, accrues payment business risk reserves according to its internally issued Yakefa "2020" No. 21 "Payment Business Risk Reserve Management Measures". According to the management measures, the company withdraws a risk reserve of RMB5,000.00 every six months, with a maximum limit of RMB20,000.00. The management measures were promulgated in July 2020 and will be implemented from the date of promulgation.

5.36 Deferred income

Item	As at			As at
	December 31, 2024	Increase in 2025	Decrease in 2025	June 30, 2025
Government grants	172,500.00	2,040,380.14	1,560,380.14	652,500.00
Total	172,500.00	2,040,380.14	1,560,380.14	652,500.00

5.37 Share capital

Item	As at	Changes in 2025 ("+" for increase and "-" for decrease)					As at
	December 31, 2024	New shares issued	Share donation	Conversion of reserves into share	Others	Sub-total	June 30, 2025
Total shares	2,926,209,589.00						2,926,209,589.00

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.38 Capital reserves**

Item	As at	Increase in 2025	Decrease in 2025	As at
	December 31, 2024			June 30, 2025
Capital (Share capital)				
premium	840,950,466.11			840,950,466.11
Other capital reserves	426,517,644.37			426,517,644.37
Total	1,267,468,110.48			1,267,468,110.48

5.39 Other comprehensive income

Item	2025							As at June 30, 2025
	As at December 31, 2024	Amount before income tax in the current period	Less: amount previously included in the other comprehensive income and currently transferred to the profit or loss	Less: income tax expenses	Amount after tax attributable to the parent company	Amount after tax attributable to minority shareholders	Less: Other comprehensive income is transferred to retained earnings in the current period	
1. Other comprehensive income that cannot be reclassified into profit or loss	113,265,760.25	39,514,800.00		5,927,220.00	33,587,580.00			146,853,340.25
Including: Other comprehensive income not transferable to profit and loss under the equity method	3,350,220.25							3,350,220.25
Changes in fair value of other equity instrument investments	109,915,540.00	39,514,800.00		5,927,220.00	33,587,580.00			143,503,120.00
2. Other comprehensive income that will be reclassified into profit or loss	-14,318,210.94	-2,623,787.68			-2,623,787.68			-16,941,998.62
Including: Translation differences of foreign currency financial statements	-14,318,210.94	-2,623,787.68			-2,623,787.68			-16,941,998.62
Total of other comprehensive income	98,947,549.31	36,891,012.32		5,927,220.00	30,963,792.32			129,911,341.63

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.40 Surplus reserves**

Item	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at June 30, 2025
Statutory surplus reserves	2,497,864,541.10			2,497,864,541.10
Discretionary surplus reserves	2,011,202,862.77	170,291,613.33		2,181,494,476.10
Total	4,509,067,403.87	170,291,613.33		4,679,359,017.20

Note: According to the resolution of the annual general meeting of the Company held on June 12, 2025, the discretionary surplus reserve shall be calculated at 10% of the net profit of the parent company.

5.41 General risk reserves

Item	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at June 30, 2025
General risk reserves	13,260,933.32	1,968,015.05		15,228,948.37
Total	13,260,933.32	1,968,015.05		15,228,948.37

Note: The general risk reserves are accrued by the sub-subsidiary of the Company, Antu Jinxin Commercial Factoring Co., Ltd. from net profit, the amount determined at 1% of the balance of risk assets-financing factoring business at the end of the period is deducted from the amount that has been accrued in the book, in accordance with the Circular of the General Office of the China Banking and Insurance Regulatory Commission on Strengthening the Supervision and Administration of Commercial Factoring Enterprises [YBJBF [2019] No.205].

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.42 Retained earnings**

Item	Six months ended June 30, 2025	Six months ended June 30, 2024
Retained profit at the end of the previous year before adjustment	13,489,875,636.21	12,171,069,311.04
Total adjustment to retained profit at the beginning of the year (“+” for increase and “-” for decrease)		
Retained profit at the beginning of the year after adjustment	13,489,875,636.21	12,171,069,311.04
Plus: Net profit attributable to shareholders of parent company in the period	1,447,650,871.75	1,367,221,060.18
Less: Withdrawal of discretionary surplus reserves	170,291,613.33	116,981,122.04
Withdraw general risk reserve	1,968,015.05	
Ordinary share dividends payable	699,364,091.77	468,193,534.24
Retained profit at the end of the period	14,065,902,787.81	12,953,115,714.94

Note: As at June 12, 2025, the proposal to distribute the “2024 Final Cash Dividend” was approved at the annual general meeting of the Company, with a dividend of RMB0.239 per share (including tax), with a total distribution of RMB699,364,091.77.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.43 Operating income and operating costs****5.43.1 Operating income and operating costs**

Item	For the six months ended June 30, 2025		For the six months ended June 30, 2024	
	Revenue	Cost	Revenue	Cost
Primary businesses	3,881,068,480.01	1,601,053,984.38	4,020,210,559.33	1,628,051,310.66
Other businesses	13,431,467.13	5,471,912.09	21,580,652.86	6,071,782.76
Total	3,894,499,947.14	1,606,525,896.47	4,041,791,212.19	1,634,123,093.42

Details of operating income:

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Aviation information technology services	2,313,440,371.70	2,265,032,606.87
Settlement and clearing services	312,469,563.68	277,972,081.00
System integration services	418,354,566.18	679,848,621.92
Data network services	189,532,501.20	216,410,225.60
Technical support and products income (Note)	384,961,151.39	295,309,854.78
Other income	275,741,792.99	307,217,822.02
Including: Payment business income	67,484,785.05	90,490,345.32
Leasing, operation and maintenance service income	92,044,648.63	108,048,612.95
Logistics business income	25,077,152.68	31,149,710.24
Data service income	50,355,610.36	44,667,206.01
Total	3,894,499,947.14	4,041,791,212.19

Note: Prior years were disclosed as "Income from technical services".

5.43.2 Significant contractual changes or significant transaction price adjustments

None.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.44 Taxes and surcharges**

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Urban construction and maintenance tax	9,558,106.89	8,902,189.46
Educational surcharges	5,340,430.26	4,997,824.73
Local educational surcharges	3,593,696.20	3,331,882.45
Property tax	23,384,335.61	23,523,948.34
Land use tax	280,908.02	280,946.27
Vehicle and vessel tax	44,795.00	56,320.00
Stamp tax	2,537,409.20	3,457,849.29
Resource tax	4,183.80	26,166.80
Others	75,888.66	90,862.27
Total	44,819,753.64	44,667,989.61

5.45 Selling and distribution expenses

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Labor costs	28,965,739.74	26,612,046.76
Distribution support costs	7,786,117.94	800,990.21
Expenses for business trips	1,996,741.27	1,759,526.21
Payments of business cost	1,843,953.85	3,563,160.80
Business entertainment fees	1,445,478.83	1,573,481.02
Advertising and production costs	1,320,826.93	903,869.64
Technical support fees	700,540.64	1,761,556.63
Amortization expenses of right-of-use assets	283,569.10	278,527.39
Depreciation expenses of fixed assets	246,466.28	281,917.88
Conference fees	200,353.32	148,256.38
Other costs	1,081,137.46	1,204,619.99
Total	45,870,925.36	38,887,952.91

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.46 General and administrative expenses**

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Labor costs	391,941,391.67	272,653,026.46
Depreciation expenses of fixed assets	58,817,250.22	54,687,294.74
Technical support and maintenance fees	50,335,714.06	13,064,245.48
Amortization expenses of intangible assets	34,232,956.30	44,143,409.86
Depreciation expenses of right-of-use assets	24,041,545.54	29,547,464.21
Property management fees of office building	11,728,657.48	6,586,069.00
Utility costs	8,711,851.75	8,946,166.38
Amortization of renovation costs	8,358,787.37	96,910.68
Expenses for business trips	8,055,325.67	6,775,130.79
Consulting fees	4,644,347.18	2,471,531.16
Other costs	19,375,246.12	25,334,532.21
Total	620,243,073.36	464,305,780.97

5.47 Research and development expenses

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Labor costs	101,479,043.24	278,365,832.47
Technical support fees	53,868,577.70	109,606,899.36
Depreciation expenses of fixed assets	5,974,175.58	23,993,798.00
Amortization expenses of intangible assets	2,435,826.96	12,921,267.03
Depreciation expenses of right-of-use assets	2,076,878.48	5,202,134.38
Amortization of renovation costs	185,174.12	517,596.70
Expenses for business trips	98,829.60	1,212,744.62
Other costs	205,343.27	140,057.12
Total	166,323,848.95	431,960,329.68

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.48 Financial expenses**

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Interest expenses	7,799,447.56	6,435,439.83
Including: Interest expenses of lease liabilities	4,139,975.05	2,877,106.50
Less: Interest income	57,411,998.60	73,390,563.96
Gains or losses on foreign currency exchange	-7,682,253.61	-12,668,301.80
Others	1,388,070.24	969,695.34
Total	-55,906,734.41	-78,653,730.59

5.49 Other income

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Government grants	1,560,380.14	5,226,905.16
Handling fees for withholding, collecting and taxation on behalf of tax authorities	2,143,153.32	998,720.53
Others	199,511.47	1,452,001.52
Total	3,903,044.93	7,677,627.21

5.50 Investment income

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Income from long-term equity investments calculated under equity method	11,043,198.77	2,121,237.91
Gains from disposal of long-term equity investment	115,292.51	7,672,908.84
Income from held-for-trading financial assets during the holding period	8,858,877.99	29,540,454.50
Interest income from debt investment during the holding period	8,697,113.52	
Total	28,714,482.79	39,334,601.25

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.51 Gains from changes in fair value**

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Sources of income from changes in fair value		
Financial assets held for trading	3,941,859.78	2,068,287.67
Other non-current financial assets	5,456,647.07	-1,583,785.91
Total	9,398,506.85	484,501.76

5.52 Losses from credit impairment

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Bad debts of notes receivable	-5,637,209.19	-7,791,177.90
Bad debts of accounts receivable	-170,908,026.63	-57,872,823.06
Total	-176,545,235.82	-65,664,000.96

5.53 Losses from assets impairment

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Losses from impairment of contract assets	-2,069,412.78	6,021,305.48
Total	-2,069,412.78	6,021,305.48

5.54 Gains from disposal of assets

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024	Amount included in non-recurring profit or loss in the current period
Disposal of right-of-use assets	2,770,420.98	16,487.46	2,770,420.98
Disposal of fixed assets	-36,577.12		-36,577.12
Total	2,733,843.86	16,487.46	2,733,843.86

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.55 Non-operating income**

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024	Amount included in non-recurring profit or loss in the current period
Gains from damage and scrapping of non-current assets	43,524.37	305,565.33	43,524.37
Indemnities	600,377.77		600,377.77
Penalties	449,500.00		449,500.00
Others	824,037.59	2,857,144.96	824,037.59
Total	1,917,439.73	3,162,710.29	1,917,439.73

5.56 Non-operating expenses

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024	Amount included in non-recurring profit or loss in the current period
Donations	12,000,000.00	9,604,804.43	12,000,000.00
Losses from the damage and scrapping of non-current assets	674,193.13	387,525.83	674,193.13
Late payment penalties	595,653.30		595,653.30
Others	715,405.68	1,103,821.71	715,405.68
Total	13,985,252.11	11,096,151.97	13,985,252.11

5.57 Income tax expenses**5.57.1 List of income tax expenses**

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Current income tax expenses	223,315,007.29	205,178,667.96
Deferred income tax expenses	5,821,525.29	23,728,131.02
Total	229,136,532.58	228,906,798.98

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.57 Income tax expenses (Continued)****5.57.2 Adjustment process of accounting profits and income tax expenses**

Item	For the six months ended June 30, 2025
Total profits	1,677,919,898.42
Income tax expenses calculated at statutory or applicable tax rate	251,687,984.76
Effect of different tax rates applicable to subsidiaries	277,545.38
Influence of adjustments to the income tax for the prior periods	-14,626,810.71
Influence of non-taxable income	-3,401,577.47
Influence of non-deductible costs, expenses and losses	-6,107,947.06
Influence of using the deductible losses related to deferred tax assets unrecognized in previous periods	7,186.45
Influence of unrecognized deferred tax assets and deductible temporary differences or losses in current period	9,392,324.22
Additional deduction for research and development expenses	-8,092,172.99
Income tax expenses	229,136,532.58

5.58 Earnings per share**Basic earnings per share**

Basic earnings per share is calculated by dividing the consolidated net profit attributable to the ordinary shareholders of the Company by the weighted average of the Company's outstanding ordinary shares:

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Consolidated net profit attributable to the ordinary shareholders of the Company	1,447,650,871.75	1,367,221,060.18
Weighted average of the Company's outstanding ordinary shares	2,926,209,589.00	2,926,209,589.00
Basic earnings per share	0.49	0.47
Including: Basic earnings per share from continuing operations	0.49	0.47
Basic earnings per share from discontinued operations		

As at June 30, 2025 and June 30, 2024, the Company has no potential dilutive ordinary shares.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.59 Supplementary information to the income statement with expenses classified by nature**

Operating costs, selling and distribution expenses, general and administrative expenses, research and development expenses, and financial expenses in income statement are classified by nature and listed as below:

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Labor costs	968,205,905.03	937,784,697.11
Depreciation and amortization expenses	438,093,585.03	531,601,541.07
Integrated business cost of sales (Note 1)	200,791,856.19	418,795,447.39
Technical support and maintenance fees	285,497,819.33	286,074,482.24
Departure and distribution support costs (Note 2)	307,217,913.89	303,274,800.69
Internet usage fees	42,630,973.57	44,190,427.67
Financial expenses	-55,906,734.41	-78,653,730.59
Other operating costs	196,525,691.10	47,555,760.81
Total	2,383,057,009.73	2,490,623,426.39

Note 1: Prior year was disclosed as "Costs of sales of software and hardware";

Note 2: Prior year was disclosed as "Commission and promotion expenses", and the payment services cost therein was classified as other operating costs.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

5.60 Items of statement of cash flows

5.60.1 Cash flows from operating activities

5.60.1.1 Other cash receipts relating to operating activities

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Government grants received	2,087,469.23	5,844,643.58
Interest income received from bank deposits	31,452,713.55	49,959,913.09
Guarantee funds and quality guarantee deposits received	19,016,906.88	11,220,816.05
Current accounts between entities received	67,758,236.51	38,922,652.01
Other non-operating income received	1,581,897.45	394,750.53
Collections and payments received	36,639,145.96	105,053,766.33
Others	57,500,286,441.22	66,228,905,606.87
Total	57,658,822,810.80	66,440,302,148.46

5.60.1.2 Other cash payments relating to operating activities

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
General and administrative expenses paid	127,511,094.37	68,639,356.06
Selling and distribution expenses paid	14,778,224.24	6,764,359.36
Research and development expenses paid	57,752,209.36	123,277,740.86
Bank charges paid	1,647,494.66	980,533.49
Non-operating expenses paid	1,248,578.07	520,337.37
Security deposit paid	25,038,429.05	6,802,432.47
Current accounts between entities paid	381,111,608.09	11,579,550.03
Others	57,237,860,299.43	65,722,280,302.90
Total	57,846,947,937.27	65,940,844,612.54

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.60 Items of statement of cash flows (Continued)****5.60.2 Cash flows from investing activities****5.60.2.1 Other cash receipts relating to investing activities**

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Recovery of fixed asset purchases		37,250.00
Total		37,250.00

5.60.2.2 Other cash payments relating to investing activities

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Net decrease in cash from disposal of subsidiaries		442,553.74
Total		442,553.74

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.60 Items of statement of cash flows (Continued)****5.60.3 Cash flows from financing activities****5.60.3.1 Other cash payments relating to financing activities**

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Lease liabilities paid	45,609,797.71	56,690,329.14
Donations	12,000,000.00	9,600,000.00
Total	57,609,797.71	66,290,329.14

Note: External donations represent funds are for poverty alleviation.

5.60.3.2 Changes in liabilities arising from financing activities

Item	As at December 31, 2024	Increase in 2025		Decrease in 2025		As at June 30, 2025
		Cash movements	Non-cash movements	Cash movements	Non-cash movements	
Short-term borrowings	1,203,300,592.42	1,504,709,645.78	12,536,986.94	1,795,986,560.55		924,560,664.59
Long-term borrowings	200,213,888.89	471,200,000.00	3,587,680.00	203,247,368.89	213,888.89	471,540,311.11
Lease liabilities	49,617,676.79		317,068,377.87	45,609,797.71	15,401,179.47	305,675,077.48

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.61 Supplementary information to the statement of cash flow****5.61.1 Supplementary information to the statement of cash flows**

Supplementary information	For the six months ended June 30, 2025	For the six months ended June 30, 2024
1. Net profit adjusted to cash flows from operating activities		
Net profit	1,448,783,365.84	1,376,815,468.69
Plus: Losses from credit impairment	-176,545,235.82	-65,664,000.96
Losses from impairment of assets	-2,069,412.78	6,021,305.48
Depreciation expenses of fixed assets	134,933,480.63	199,954,208.87
Depletion of oil and gas assets		
Depreciation of right-of-use assets	52,806,400.06	55,076,416.65
Amortization of intangible assets	240,012,052.52	276,193,241.60
Amortization of long-term deferred expenses	10,568,285.60	1,102,487.35
Losses from disposal of fixed assets, intangible assets and other long-term assets ("–" for gains)	-2,733,843.86	-16,487.46
Losses from scrapping of fixed assets ("–" for gains)	-630,668.76	81,960.50
Losses from changes in fair value ("–" for gains)	-9,398,506.85	-484,501.76
Financial expenses ("–" for gains)	12,189,551.55	-6,232,861.97
Investment losses ("–" for gains)	-28,714,482.79	-39,334,601.25
Decreases in deferred tax assets ("–" for increases)	5,015,144.35	25,913,611.05
Increases in deferred tax liabilities ("–" for decreases)	7,359,283.95	-854,173.64
Decreases in inventories ("–" for increases)	-26,269,148.88	-56,542,543.35
Decreases in operating receivables ("–" for increases)	-1,179,032,247.51	-1,065,884,842.82
Increases in operating payables ("–" for decreases)	828,477,528.35	581,291,271.02
Others		
Net cash flow from operating activities	1,314,751,545.60	1,287,435,958.00

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.61 Supplementary information to the statement of cash flow (Continued)****5.61.1 Supplementary information to the statement of cash flows (Continued)**

Supplementary information	For the six months ended June 30, 2025	For the six months ended June 30, 2024
2. Significant investing and financing activities not involving cash receipts and payments		
Debt transferred into capital		
Convertible corporate bonds maturing within one year		
Acquisition of right-of-use assets by assumption of lease liabilities		
3. Net change in cash and cash equivalents		
Ending balance of cash	6,621,212,164.01	9,562,540,286.34
Less: Beginning balance of cash	10,507,711,480.03	7,276,531,274.65
Plus: Ending balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-3,886,499,316.02	2,286,009,011.69

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.61 Supplementary information to the statement of cash flow (Continued)****5.61.2 Breakdowns of cash and cash equivalents**

Item	As at June 30, 2025	As at December 31, 2024
I. Cash	6,621,212,164.01	10,507,711,480.03
Including: Cash on hand	1,126.46	10,958.18
Unrestricted digital currency	3,891,933.25	2,931,986.43
Unrestricted bank deposit	6,611,417,068.38	10,502,384,389.29
Unrestricted other monetary asset	5,902,035.92	2,384,146.13
II. Cash equivalents		
Including: Bond investments maturing within three months		
III. Ending balance of cash and cash equivalents	6,621,212,164.01	10,507,711,480.03
Including: Cash and cash equivalents with restricted use right by parent company or subsidiaries of the Group		

Restricted use but still presented as cash and cash equivalents:

Item	As at December 31, 2025	As at December 31, 2024	Reasons for being cash and cash equivalents
PBOC's Client Reserve Funds	1,794,328,836.73	1,449,123,533.46	Ready to be used for the settlement of daily operations of the payer
Total	1,794,328,836.73	1,449,123,533.46	

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.61 Supplementary information to the statement of cash flow (Continued)****5.61.2 Breakdowns of cash and cash equivalents (Continued)**

Monetary funds not classified as cash and cash equivalents:

Item	As at June 3, 2025	As at December 31, 2024	Reasons for not being cash and cash equivalents
Performance bond	25,372,521.81	28,590,768.45	Restricted and unable to use
Property preservation		10,775,011.90	Restricted and unable to use
Letter of Credit Deposit		1,400,000.00	Restricted and unable to use
Payment Gateway Margin	507,170.07	506,936.29	Restricted and unable to use
Others	1,402,300.00	2,300.00	Restricted and unable to use
Total	27,281,991.88	41,275,016.64	

5.62 Foreign currency monetary items

Item	Foreign currency balance at end of period	Exchange rate	Converted RMB balance at the end of the period
Cash and bank balances			309,917,892.15
Including: USD	29,643,420.15	7.1586	212,205,387.49
EUR	1,455,790.45	8.4024	12,232,133.68
HKD	88,442,116.10	0.9120	80,659,209.88
Other currencies	22,226,217.45		4,821,161.10
Accounts receivable			295,376,113.03
Including: USD	22,423,596.81	7.1586	160,521,560.12
EUR	3,652,368.96	8.4024	30,688,664.95
HKD	63,828,283.12	0.9120	58,211,394.21
Other currencies	82,615,421.63		45,954,493.75

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.63 Lease****5.63.1 The Company as the lessee**

Items	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Interest expense arising from lease liabilities	4,139,975.05	2,877,106.50
Short-term lease expenses that are simplified treated to include in the cost of related assets or current profits and losses	56,123.90	67,695.74
Lease expenses for low value assets that are simplified treated to include in the cost of related assets or current profits and losses (exclude short-term lease for low value assets)	77,113.76	235,311.32
Total cash outflows in relation to lease	45,754,871.61	57,093,304.38

The Company's anticipated cash outflows from leases in future years, committed but not commenced, are as follows:

Remaining lease terms	Undiscounted lease payments
Within 1 year	121,294,241.30
1-2 years	116,279,651.07
2-3 years	79,562,265.24
Over 3 years	3,772,727.87
Total	320,908,885.48

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.63 Lease (Continued)****5.63.2 The Company as the lessor****(1) Operating lease**

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Income from operating leases	14,412,037.48	22,553,876.60
Including: Income related to variable lease payments not included in lease receipts		

Undiscounted lease receipts to be received after the balance sheet date are as follows:

	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Remaining lease terms		
Within 1 year	22,189,543.98	43,370,048.03
1-2 years	20,091,960.44	42,259,826.22
2-3 years	19,431,592.82	41,086,266.54
3-4 years	19,130,176.80	41,032,523.24
4-5 years	3,090,175.98	41,062,911.56
Over 5 years	6,041,450.16	12,907,778.26
Total	89,974,900.18	221,719,353.85

5.64 Data resources**5.64.1 Data resource assessment status**

None.

5.64.2 Other data resource-related information

None.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

6 RESEARCH AND DEVELOPMENT EXPENDITURES**6.1 Research and development expenditures**

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Labor costs	128,860,782.55	295,221,402.64
Depreciation and amortization expenses	10,672,055.14	42,642,573.40
Technical support fee	82,687,301.04	114,302,665.31
Others	324,400.66	1,345,024.45
Total	222,544,539.39	453,511,665.80
Including: Expensed R&D expenditure	166,323,848.95	431,960,329.68
Capitalized R&D expenditure	56,220,690.44	21,551,336.12

The Company's expensed data resource research and development expenditures for the current period were RMB166,323,848.95, and the capitalized data resource research and development expenditures were RMB56,220,690.44.

6.2 Development expenditures

Item	As at December 31, 2024	Increase in 2025		Decrease in 2025		As at June 30, 2025
		Internal development expenditures	Others	Recognized as an intangible asset	Others	
Item 1	29,133,718.79	4,313,847.63				33,447,566.42
Item 2		20,716,704.94				20,716,704.94
Item 3		20,996,797.62				20,996,797.62
Item 4		3,667,353.18				3,667,353.18
Item 5		547,249.87				547,249.87
Item 6	11,196,503.37	773,304.97				11,969,808.34
Item 7	967,847.22	497,891.51				1,465,738.73
Item 8	4,966,227.07			4,966,227.07		
Item 9	1,794,966.47			1,794,966.47		
Item 10	1,732,509.52			1,732,509.52		
Item 11		4,707,540.72		4,707,540.72		
Subtotal	49,791,772.44	56,220,690.44		13,201,243.78		92,811,219.10
Less: Provisions for impairment						
Total	49,791,772.44	56,220,690.44		13,201,243.78		92,811,219.10

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

6 RESEARCH AND DEVELOPMENT EXPENDITURES (CONTINUED)

6.2 Development expenditures (Continued)

The situation of important capitalized R&D projects

Item	End-of-period R&D progress	Estimated completion time	How economic benefits are expected to arise	The point at which the capitalization begins	The specific basis for determining the point at which capitalization begins
Item 1	Overall progress has reached 79%	December, 2025	Formation of corresponding products and subsequent introduction into the market	September, 2023	Start capitalisation with company project approval
Item 2	Overall progress has reached 50%	December, 2025	Formation of corresponding products and subsequent introduction into the market	January, 2025	Start capitalisation with company project approval
Item 3	Overall progress has reached 28%	December, 2027	Formation of corresponding products and subsequent introduction into the market	February, 2025	Start capitalisation with company project approval
Item 4	Overall progress has reached 40%	December, 2025	Formation of corresponding products and subsequent introduction into the market	February, 2025	Start capitalisation with company project approval
Item 5	Overall progress has reached 20%	April, 2026	Formation of corresponding products and subsequent introduction into the market	April, 2025	Start capitalisation with company project approval
Item 6	The Company is currently continuing its research and development efforts	December, 2025	Formation of corresponding products and subsequent introduction into the market	January, 2023	Start capitalisation with company project approval
Item 7	The R&D progress is approximately 46.67%	December, 2027	Operations and Promotion for Civil Aviation Industry Clients	October, 2024	Start capitalisation with company project approval

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

7 CHANGE OF THE CONSOLIDATION SCOPE

The scope of consolidation remains unchanged.

8 EQUITY IN OTHER ENTITIES**8.1 Equity in the subsidiaries****8.1.1 Structure of the enterprise group**

Name of subsidiary	Principal place of business and registration place	Business type	Registered Capital (in ten thousand)	Nature of Business	Shareholding ratio (%)		Way of acquisition
					Directly	Indirectly	
Chongqing Civil Aviation Cares Information Technology Co., Ltd.	Chongqing, China	Limited liability company (state-owned holding)	1,480.00	Provision of electronic travel distribution, airport passenger processing and cargo management services; and sales and installation of related information systems	51.00		Investment
Hunan TravelSky Technology Limited	Changsha, China	Limited liability company (sole proprietorship invested or controlled by a non-natural person)	3,000.00	Planning and construction, operation management, technical support, product research and development and e-commerce of computer reservation, departure and freight transportation and other application systems	100.00		Investment
Xi'an Civil Aviation Cares Technology Co., Ltd.	Xi'an, China	Limited liability company	1,500.00	Computer software and hardware development and data network services	51.00		Investment
Hubei Civil Aviation Cares Co., Ltd.	Wuhan, China	Other limited liability companies	1,500.00	Provision of electronic travel distribution, airport passenger processing and cargo management services; and sales and installation of related information systems	62.50	7.68	Investment
Xinjiang Civil Aviation Cares Technology Co., Ltd.	Urumqi, China	Limited liability company (state-owned holding)	1,000.00	Computer software and hardware development and data network services	51.00		Investment

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

8 EQUITY IN OTHER ENTITIES (CONTINUED)

8.1 Equity in the subsidiaries (Continued)

8.1.1 Structure of the enterprise group (Continued)

Name of subsidiary	Principal place of business	Business type	Registered Capital (in ten thousand)	Nature of Business	Shareholding ratio (%)		Way of acquisition
					Directly	Indirectly	
Shenzhen Civil Aviation Cares Co., Ltd.	Shenzhen, China	Limited liability company	6,100.00	Provision of e-tourism distribution and freight management services; and the sale and installation of relevant information systems	61.47		Investment
Shanghai TravelSky Technology Limited	Shanghai, China	Limited liability company (sole proprietorship invested or controlled by a non-natural person)	400.00	Computer software and hardware development and data network services	100.00		Investment
Xiamen Civil Aviation Cares Co., Ltd.	Xiamen, China	Other limited liability companies	2,000.00	Computer software and hardware development and data network services	51.00		Investment
Qingdao Civil Aviation Cares Co., Ltd.	Qingdao, China	Other limited liability companies	5,000.00	Computer software and hardware development and data network services	51.00		Investment
Hainan Civil Aviation Cares Co., Ltd.	Haikou, China	Other limited liability companies	1,000.00	Provision of e-tourism distribution and freight management services; and the sale and installation of relevant information systems	68.94		Investment
Guangzhou TravelSky Technology Limited	Guangzhou, China	Limited liability company (sole proprietorship)	40,000.00	Computer software and hardware development and data network services	100.00		Investment
Accounting Center of China Aviation	Beijing, China	Limited liability company (sole proprietorship)	75,978.52	Settlement, liquidation services and related information system development and support services	100.00		Business combination under common control

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

8 EQUITY IN OTHER ENTITIES (CONTINUED)**8.1 Equity in the subsidiaries (Continued)****8.1.1 Structure of the enterprise group (Continued)**

Name of subsidiary	Principal place of business	Business type	Registered Capital (in ten thousand)	Nature of Business	Shareholding ratio (%)		Way of acquisition
					Directly	Indirectly	
Beijing Yake Technology Development Co., Ltd.	Beijing, China	Limited liability company (sole proprietorship)	15,612.16	Technology promotion service, computer software technology development, computer system engineering design and installation	100.00		Investment
Antu Jinxin Commercial Factoring Co., Ltd.	Beijing, China Tianjin, China	Limited liability company (sole proprietorship)	13,000.00	Provision of trade financing in the form of transferring accounts receivable; receipt, payment, settlement, management and collection of accounts receivable; management of sales sub-account (ledger); customer credit investigation and evaluation; related consulting services; other businesses permitted by laws and regulations	100.00		Investment
Infosky Information Technology Co., Ltd.	Beijing, China	Limited liability company (Sino-foreign joint venture)	\$2,548.00	Provision of freight management services and related software and technology development; provision of technical support, training and information services	94.62	5.38	Investment
TravelSky Cares (Beijing) Real Estate Co., Ltd.	Beijing, China	Limited liability company (sole proprietorship)	1,000.00	Real estate development and sales, self-developed commercial housing contracting, labor service subcontracting and investment management	100.00		Investment

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

8 EQUITY IN OTHER ENTITIES (CONTINUED)

8.1 Equity in the subsidiaries (Continued)

8.1.1 Structure of the enterprise group (Continued)

Name of subsidiary	Principal place of business	Business type	Registered Capital (in ten thousand)	Nature of Business	Shareholding ratio (%)		Way of acquisition
					Directly	Indirectly	
Beijing TravelSky Travel Agency Co., Ltd.	Beijing, China	Limited liability company (sole proprietorship)	7,200.00	Domestic travel business and inbound travel business	100.00		Investment
Travelsky Yunzhi Technology (Beijing) Co., Ltd.	Beijing, China	Limited liability company (sole proprietorship)	5,000.00	Computer system services, data processing, computer and communication equipment leasing, technical services and technical consulting	100.00		Investment
Inner Mongolia TravelSky Technology Limited	Hohhot, China	Limited liability company (sole proprietorship invested or controlled by a non-natural person)	500.00	Computer and auxiliary equipment, sales, leasing, maintenance and technical consulting; computer system services and tourist information consulting	100.00		Investment
Zhejiang TravelSky Technology Limited	Hangzhou, China	Limited liability company (foreign-invested enterprise and domestic-funded joint venture)	3,734.73	Contracting of computer software and hardware engineering, airport air traffic control engineering and building weak current system engineering, and computer software and hardware, sales, maintenance, leasing and technical consulting services	51.00		Business combination under common control
Henan TravelSky Technology Limited	Zhengzhou, China	Limited liability company (sole proprietorship invested or controlled by a non-natural person)	1,000.00	Contracting of computer software and hardware engineering projects; technical consultation and service; system integration	100.00		Investment

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

8 EQUITY IN OTHER ENTITIES (CONTINUED)**8.1 Equity in the subsidiaries (Continued)****8.1.1 Structure of the enterprise group (Continued)**

Name of subsidiary	Principal place of business	Business type	Registered Capital (in ten thousand)	Nature of Business	Shareholding ratio (%)		Way of acquisition
					Directly	Indirectly	
Beijing TravelSky Technology Limited	Beijing, China	Limited liability company (sole proprietorship)	5,001.00	Technology development, technology services, and technology transfer; sales of computers, software and auxiliary equipment	100.00		Investment
Guangzhou Skyecho Information Technology Co., Ltd.	Guangzhou, China	Other limited liability companies	200.00	Software and information technology services	51.00		Business combination not under common control
TravelSky Digital Intelligence Technology (Beijing) Co., Ltd.	Beijing, China	Limited liability company (sole proprietorship)	5,000.00	Technology development, technology consulting, technology services, technology transfer, technology promotion and software development	100.00		Investment
China TravelSky International Limited	Hong Kong, China	Sole proprietorship	HK\$1,236.00	Commercial services	100.00		Investment
TravelSky Technology (Singapore) Pte. Ltd.	Singapore	Sole proprietorship	S\$7,158.08	Hardware consulting and system consulting	100.00		Investment
OpenJaw Technologies Limited	Dublin, Ireland	Sole proprietorship	€25.21	Technology service and technology support	100.00		Business combination not under common control

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

8 EQUITY IN OTHER ENTITIES (CONTINUED)

8.1 Equity in the subsidiaries (Continued)

8.1.2 Major non-wholly-owned subsidiaries

Name of subsidiary	Shareholding ratio of minority shareholders (%)	Profit or loss attributable to minority shareholders in 2025	Dividends declared to be distributed to minority shareholders in 2025	Balance of minority interest as at June 30, 2025
Shenzhen Civil Aviation Cares Co., Ltd.	38.53	5,249,783.87		159,199,347.12
Xiamen Civil Aviation Cares Co., Ltd.	49.00	-822,127.64		111,035,897.66
Qingdao Civil Aviation Cares Co., Ltd.	49.00	-4,897,347.69		67,298,211.48

8.1.3 Key financial information of major non-wholly-owned subsidiaries

Name of subsidiaries	Balance as at June 30, 2025						Balance as at December 31, 2024					
	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
Shenzhen Civil Aviation Cares Co., Ltd.	385,974,628.22	44,871,428.14	430,846,056.36	17,602,502.87	52,137.32	17,654,640.19	390,709,306.07	45,835,790.88	436,545,096.95	36,923,051.59	56,097.32	36,979,148.91
Xiamen Civil Aviation Cares Co., Ltd.	207,726,290.82	52,627,047.91	260,353,338.73	33,746,136.35	3,329.60	33,749,465.95	209,008,180.22	55,196,357.14	264,204,537.36	35,890,878.78	31,974.29	35,922,853.07
Qingdao Civil Aviation Cares Co., Ltd.	367,460,027.39	11,120,598.60	378,580,625.99	236,122,794.78	5,114,542.47	241,237,337.25	451,327,863.08	15,258,999.82	466,586,862.90	313,726,242.29	5,522,744.75	319,248,987.04

Name of subsidiaries	Amount for the six months ended 30, 2025					Amount for the six months ended 30, 2024				
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities		Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	
Shenzhen Civil Aviation Cares Co., Ltd.	49,068,130.62	13,625,468.13	13,625,468.13	279,588.44		50,759,823.58	12,185,240.73	12,185,240.73	11,280,433.12	
Xiamen Civil Aviation Cares Co., Ltd.	31,973,992.88	-1,677,811.51	-1,677,811.51	51,155.00		39,734,240.63	6,281,627.78	6,281,627.78	112,348.49	
Qingdao Civil Aviation Cares Co., Ltd.	36,646,382.31	-9,994,587.12	-9,994,587.12	-41,026,023.13		26,339,408.44	-12,037,276.15	-12,037,276.15	12,068,576.92	

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

8 EQUITY IN OTHER ENTITIES (CONTINUED)**8.2 Equity in joint venture arrangements or associates****8.2.1 Major joint ventures or associates**

Name of joint ventures or associates	Principal place of business and registration place	Business type	Shareholding ratio (%)		Accounting treatment method of the investments in joint ventures or associates	Whether strategic for the Company's activities
			Directly	Indirectly		
Shanghai Civil Aviation East China Cares System Integration Co., Ltd.	Shanghai, China	Information system integration services	41.00		Equity method	Yes
Shenyang Civil Aviation Northeast Cares Co., Ltd.	Shenyang, China	Information system integration services	46.00		Equity method	Yes
Heilongjiang TravelSky Airport Network Co., Ltd.	Harbin, China	Information system integration services	50.00		Equity method	Yes
Dalian TravelSky Airport Network Co., Ltd.	Dalian, China	Information system integration services	50.00		Equity method	Yes
TravelSky Mobile Technology Co., Ltd.	Beijing, China	Technology development; technology promotion	20.66		Equity method	Yes
Yunnan TravelSky Airport Network Co., Ltd.	Kunming, China	Internet information service	50.00		Equity method	Yes

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

8 EQUITY IN OTHER ENTITIES (CONTINUED)

8.2 Equity in joint venture arrangements or associates (Continued)

8.2.2 Principal financial information of major joint ventures

	As at June 30, 2025/For the six months ended June 30, 2025			As at December 31, 2024/For the six months ended June 30, 2024		
	Yunnan TravelSky Airport Network Co., Ltd.	Heilongjiang TravelSky Airport Network Co., Ltd.	Dalian TravelSky Airport Network LLC	Yunnan TravelSky Airport Network Co., Ltd.	Heilongjiang TravelSky Airport Network Co., Ltd.	Dalian TravelSky Airport Network LLC
Current assets	204,490,401.10	59,045,824.96	53,239,035.41	230,822,508.49	60,066,876.57	51,777,467.84
Including: Cash and cash equivalents	5,482,186.63	26,239,918.56	22,386,562.98	6,115,230.70	35,160,785.27	27,055,973.69
Non-current assets	42,044,464.91	1,901,139.91	7,324,605.93	46,715,585.98	1,984,973.09	7,903,694.07
Total assets	246,534,866.01	60,946,964.87	60,563,641.34	277,538,094.47	62,051,849.66	59,681,161.91
Current liabilities	11,794,916.86	4,874,538.98	7,900,072.16	44,417,835.64	9,176,937.79	6,950,052.55
Non-current liabilities	995,076.33	168,050.94		995,076.33	168,050.94	
Total liabilities	12,789,993.19	5,042,589.92	7,900,072.16	45,412,911.97	9,344,988.73	6,950,052.55
Non-controlling interest equity						
Equity attributable to the shareholders of the parent company	233,744,872.82	55,904,374.95	52,663,569.18	232,125,182.50	52,706,860.93	52,731,109.36
Net asset shares calculated according to the shareholding ratios	116,872,436.41	27,952,187.49	26,331,784.59	92,850,073.00	26,353,430.47	26,365,554.68
Adjustment matters	937,835.71			24,150,353.96		
—Goodwill						
—Unrealised profit on internal transactions						
—Others	937,835.71			24,150,353.96		
Book value of the equity investment in joint ventures	117,810,272.12	27,952,187.49	26,331,784.59	117,000,426.96	26,353,430.47	26,365,554.68
Fair value of equity investments in joint ventures with publicly quoted prices						
Operating income	29,981,036.35	11,025,053.64	15,046,716.15	31,641,324.19	11,145,261.08	3,049,944.99
Financial expenses	-321,966.40	-149,685.43	-21,231.90	-395,586.98	-74,100.00	-13,364.54
Income tax expenses	373,266.50	1,065,838.01	122,710.18	276,524.44	1,276,991.95	228,096.77
Net profit	1,619,690.32	3,197,514.02	-67,540.18	1,409,277.87	3,830,975.84	180,203.04
Net profits of discontinuing operations						
Other comprehensive income						
Total comprehensive income	1,619,690.32	3,197,514.02	-67,540.18	1,409,277.87	3,830,975.84	180,203.04
Dividends received from joint ventures in the current period	2,560,000.00					

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

8 EQUITY IN OTHER ENTITIES (CONTINUED)**8.2 Equity in joint venture arrangements or associates (Continued)****8.2.3 Key financial information of major associates**

	As at June 30, 2025/For the six months ended June 30, 2025			As at December 31, 2024/For the six months ended June 30, 2024		
	Shanghai Civil Aviation East China Cares System Integration Co., Ltd.	Shenyang Civil Aviation Northeast Cares Co., Ltd.	TravelSky Mobile Technology Co., Ltd.	Shanghai Civil Aviation East China Cares System Integration Co., Ltd.	Shenyang Civil Aviation Northeast Cares Co., Ltd.	TravelSky Mobile Technology Co., Ltd.
Current assets	348,639,147.32	285,650,050.48	558,931,716.12	370,415,444.57	282,851,860.69	548,088,649.57
Non-current assets	184,733,539.69	103,266,660.33	105,954,795.83	192,236,075.04	106,475,858.88	26,325,241.44
Total assets	533,372,687.01	388,916,710.81	664,886,511.95	562,651,519.61	389,327,719.57	574,413,891.01
Current liabilities	187,151,133.26	10,385,034.04	382,752,377.78	212,279,665.14	26,113,439.23	273,234,259.23
Non-current liabilities	19,663,736.52	5,299,480.16	10,648,355.83	19,808,722.69	5,281,174.12	17,335,517.23
Total liabilities	206,814,869.78	15,684,514.20	393,400,733.61	232,088,387.83	31,394,613.35	290,569,776.46
Non-controlling interest equity						
Equity attributable to the shareholders of parent company	326,557,817.23	373,232,196.61	271,485,778.34	330,563,131.78	357,933,106.22	283,844,114.55
Net asset shares calculated according to the shareholding ratios	133,888,705.06	171,686,810.44	56,084,075.06	135,530,884.03	164,649,228.86	67,625,860.29
Adjustment matters	-41,215,875.11		192,946,890.87	-41,215,875.12		185,128,586.12
— Goodwill						
— Unrealized profit from internal trading	-41,215,875.11			-41,215,875.12		
— Others			192,946,890.87			185,128,586.12
Book value of the equity investment in associates	92,672,829.95	171,686,810.44	249,030,965.93	94,315,008.91	164,649,228.86	252,754,446.41
Fair value of equity investments in associates with publicly quoted prices						
Operating income	93,680,628.65	150,989,520.93	161,429,191.05	119,872,275.71	151,521,427.67	117,546,336.82
Net profit	-4,005,314.55	15,299,090.39	-12,119,774.37	-7,230,601.97	9,364,240.29	-29,086,124.44
Net profits of discontinuing operations						
Other comprehensive income						
Total comprehensive income	-4,005,314.55	15,299,090.39	-12,119,774.37	-7,230,601.97	9,364,240.29	-29,086,124.44
Dividends received from associates in the current period						

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

8 EQUITY IN OTHER ENTITIES (CONTINUED)

8.2 Equity in joint venture arrangements or associates (Continued)

8.2.4 Summary of financial information on insignificant joint ventures or associates

	As at June 30, 2025/ For the six months ended 30, 2025	As at December 31, 2024/ For the six months ended 30, 2024
Joint venture:		
Total investment book value	43,432,861.38	47,475,711.86
Total amount calculated based on the following shareholding proportions		
—Net profit	-8,085,700.99	-12,041,101.89
—Other comprehensive income		
—Total comprehensive income	-8,085,700.99	-12,041,101.89
Associates:		
Total investment book value	182,000,592.30	170,961,297.28
Total amount calculated based on the following shareholding proportions		
—Net profit	29,193,760.72	11,738,624.36
—Other comprehensive income		
—Total comprehensive income	29,193,760.72	11,738,624.36

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

9 GOVERNMENT GRANTS**9.1 The type, amount and presentation of government subsidies****9.1.1 Government subsidies included in the profit or loss for the current period***Income-related government grants*

Item included in the current profit or loss or used to offset the related costs or losses	Amount of government grants	Amount included in the current profit or loss or used to offset the related costs or losses	
		For the six months ended 30, 2025	For the six months ended 30, 2024
Enterprise support and incentives	1,255,067.11	775,067.11	2,302,936.30
Tax refunds	139,632.84	139,632.84	752,768.86
Patent grants and awards	645,680.19	645,680.19	2,171,200.00
Total	2,040,380.14	1,560,380.14	5,226,905.16

9.1.2 Liabilities involving government subsidies

Liability items	As at December 31, 2024	The amount of new subsidy in this period	The amount of included in non-operating income in the current period	The amount of other income transferred in the current period	Amounts charged to costs during the period	Other changes	As at June 30, 2025	Asset-related/ income-related
Deferred earnings	172,500.00	2,040,380.14		1,560,380.14			652,500.00	Income-related

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

10 RISKS RELATED TO FINANCIAL INSTRUMENTS**10.1 Risks arising from financial instruments**

The Company is exposed to various financial risks in the course of its operations: credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risks). The financial risks and the risk management policies taken by the Company to mitigate these risks are set out as below:

The Board is responsible for planning and establishing the Company's risk management framework, formulating the Company's risk management policies and relevant guidelines, and supervising the implementation of risk management measures. The Company has formulated risk management policies to identify and analyze the risks faced by it. These risk management policies specify specific risks and cover many aspects such as market risk, credit risk and liquidity risk management. The Company regularly evaluates the changes in the market environment and the Company's business activities to decide whether to update the risk management policies and systems. The Company's risk management is carried out by the Risk Management Committee in accordance with the policies approved by the board of directors. The Risk Management Committee identifies, evaluates and avoids relevant risks through close cooperation with other business departments of the Company. The Company's internal audit department regularly reviews the risk management controls and procedures, and reports the audit results to the Company's Audit Committee.

The Company diversifies its exposure to financial instruments through an appropriately diversified portfolio of investments and businesses, and reduces the risk of concentration in a single industry, a specific region or a specific counterparty by formulating corresponding risk management policies.

10.1.1 Credit risk

Credit risk refers to the risk of financial loss to the Company caused by the counterparty's failure to perform its contractual obligations.

The Company's credit risk arises mainly from cash and cash equivalents, notes receivable, accounts receivable, receivables financing, contract assets, other receivables, debt investment, other debt investment and financial guarantee contract, and debt instrument investment that are not included in the scope of impairment assessment and are measured at fair value and whose changes are included in current profit and loss. Investments and derivative financial assets, etc. On the balance sheet date, the book value of the company's financial assets has represented its maximum credit risk exposure.

The Company's cash and cash equivalents are mainly bank deposits placed with reputable state-owned banks and other large and medium-sized listed banks with high credit ratings, which the Company believes that they have no significant credit risk and will almost never incur significant losses due to bank's defaults.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

10 RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)**10.1 Risks arising from financial instruments (Continued)****10.1.1 Credit risk (Continued)**

In addition, for notes receivable, accounts receivable, receivables financing, contract assets and other receivables, etc., the Company has set the relevant policies to control credit risk exposure. The Company, based on the customers' financial positions, the possibility of obtaining guarantees from the third party, credit records and other factors such as the current market conditions, evaluated the credit qualifications of customers and set credit term. The Company would monitor the customers' credit records periodically; as for the customers with bad credit records, the Company would adopt the methods including requesting a payment in writing or shortening or canceling credit term so as to keep the Company's overall credit risks within controllable scope.

10.1.2 Liquidity risk

Liquidity risk refers to the risk of capital shortage arising when the enterprise performs the settlement obligation by way of the delivery of funds or other financial assets.

The policy of the Company is to ensure that there are sufficient cash for the payment of the matured debts. Liquidity risk is under centralized control of the financial department of the Company. The financial department monitors cash balance and readily realizable and marketable securities and makes rolling forecast on cash flows of the next 12 months to ensure that the Company has sufficient funds to repay debts in all cases of reasonable prediction. Meanwhile, it monitors whether provisions of the borrowing agreement are satisfied, obtain commitments of main financial institutions for providing sufficient reserve funds to satisfy the demand for short-term and long-term funds.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

10 RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)**10.1 Risks arising from financial instruments (Continued)****10.1.2 Liquidity risk (Continued)**

Various financial liabilities of the Company should be presented at undiscounted contractual cash flows on the maturity date as follows:

Item	As at June 30, 2025					Total undiscounted contract amount	Book value
	Immediate repayment	Within one year	1-2 years	2-5 years	Over 5 years		
Short-term borrowings		937,620,839.20				937,620,839.20	924,560,664.59
Accounts payable		1,363,993,001.45	630,573,441.78	179,576,675.54	35,136,567.57	2,209,279,686.34	2,209,279,686.34
Other payables		2,406,819,136.09	5,169,988.57	19,407,946.98	68,303,760.36	2,499,700,832.00	2,499,700,832.00
Long-term borrowings		12,761,666.67	12,421,355.56	481,851,737.78		507,034,760.01	471,540,311.11
Lease liabilities		122,948,592.08	115,866,752.30	83,041,065.62		321,856,410.00	305,675,077.48
Total		4,844,143,235.49	764,031,538.21	763,877,425.92	103,440,327.93	6,475,492,527.55	6,410,756,571.52

Item	As at December 31, 2024					Total undiscounted contract amount	Book value
	Immediate repayment	Within one year	1-2 years	2-5 years	Over 5 years		
Short-term borrowings		1,214,942,957.16				1,214,942,957.16	1,203,300,592.42
Accounts payable		1,581,190,033.26	345,653,386.33	225,528,715.67	35,028,031.68	2,187,400,166.94	2,187,400,166.94
Other payables		1,787,975,041.85	7,484,089.97	44,747,314.91	88,997,629.73	1,929,204,076.46	1,929,204,076.46
Long-term borrowings		201,769,444.44				201,769,444.44	200,213,888.89
Lease liabilities		41,853,899.80	8,919,054.01	597,562.19		51,370,516.00	49,617,676.79
Total		4,827,731,376.51	362,056,530.31	270,873,592.77	124,025,661.41	5,584,687,161.00	5,569,736,401.50

The repayment period of bank borrowings and other financing is analysed as follows:

Item	As at June 30, 2025		As at December 31, 2024	
	Bank borrowing	Other financing	Bank borrowing	Other financing
Within 1 year	1,124,774,553.48	122,948,592.08	1,403,514,481.31	41,853,899.80
1-2 years	12,421,355.56	115,866,752.30		8,919,054.01
2-5 years	481,851,737.78	83,041,065.62		597,562.19
Total	1,619,047,646.82	321,856,410.00	1,403,514,481.31	51,370,516.00

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

10 RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)**10.1 Risks arising from financial instruments (Continued)****10.1.3 Market Risk**

Market risk associated with financial instruments refers to the risk that fair value or future cash flows of financial instruments fluctuate due to variations in market prices, and it includes exchange rate risk, interest rate risk and other price risks.

10.1.3.1 Interest rate risk

Interest rate risks refer to the risks of fluctuation in the fair value or future cash flows of financial instruments due to changes in market interest rate.

Fixed-rate and floating-rate interest-bearing financial instruments make the Company expose to fair value interest rate risk and cash flow interest rate risk, respectively. The Company determines the ratio of fixed-rate instruments to floating-rate instruments based on market conditions and maintains an appropriate mix of fixed-rate and floating-rate instruments through regular review and monitoring. When necessary, the Company uses interest rate swap instruments to hedge interest rate risk.

As at June 30, 2025, with other variables held constant, if the borrowing rate calculated at the floating rate increased or decreased by 100 basis points, the net profit of the Company would decrease or increase by RMB7,428,971.34 (December 31, 2024: RMB0.00).

10.1.3.2 Exchange rate risk

Exchange rate risk refers to the risk that fair value or future cash flows of financial instruments fluctuate due to variations in foreign exchange rate.

The Company continuously monitor the foreign currency transactions and foreign currency assets and liabilities to minimize the foreign exchange risks. In addition, the Company may also sign forward foreign exchange contracts or currency swap contracts to achieve the purpose of avoiding exchange rate risk. In 2025 and prior period, the Company did not sign any forward foreign exchange contract or currency swap contract.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

10 RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)**10.1 Risks arising from financial instruments (Continued)****10.1.3 Market Risk (Continued)****10.1.3.2 Exchange rate risk (Continued)**

The exchange rate risk the Company is facing is mainly from the financial assets and liabilities denominated in U.S. dollars, and the foreign currency assets and liabilities are equivalent to the amount denominated in RMB indicated as below:

Item	As at June 30, 2025			As at December 31, 2024		
	U.S. Dollar	Other foreign currencies	Total	U.S. Dollar	Other foreign currencies	Total
Cash and cash equivalents	212,205,387.49	97,712,504.66	309,917,892.15	206,293,187.84	42,166,769.34	248,459,957.18
Accounts receivable	160,521,560.12	134,854,552.91	295,376,113.03	163,121,821.87	194,947,523.89	358,069,345.76
Total	372,726,947.61	232,567,057.57	605,294,005.18	369,415,009.71	237,114,293.23	606,529,302.94

As at June 30, 2025, if all other variables remain unchanged, if the RMB appreciates or depreciates against the U.S. dollar by 1%, the Company will decrease or increase its net profit by RMB5,144,999.04 (December 31, 2024: RMB5,155,499.07).

10.1.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of the changes in market prices other than exchange rate risk and interest rate risk.

The Company's other price risk arises primarily from investments in various equity instruments. There is the risk of changes in the prices of equity instruments.

As at June 30, 2025, in the case that other variables remained the same, if the value of equity instruments increase or decrease by 2%, the Company will increase or decrease the net profits of RMB16,946,737.92 and other comprehensive income of RMB17,745,062.40 (December 31, 2024: Net profits of RMB17,295,997.66; other comprehensive income of RMB18,132,784.80).

10.2 Risk management of hedging operations

The Company has no hedging business.

10.3 Transfer of financial assets

None.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

11 DISCLOSURE OF FAIR VALUE

The input value used for measuring fair value is divided into three levels:

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access on the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs that have been applied in valuing the respective asset or liability.

The level of the measurement result of fair value shall subject to the lowest level which the input that is great significance to the entire measurement of fair value belongs to.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

11 DISCLOSURE OF FAIR VALUE (CONTINUED)

11.1 Fair value of assets and liabilities measured at fair value as at June 30, 2025

Item	Fair value as at June 30, 2025			Total
	Measurement of fair value at Level 1	Measurement of fair value at Level 2	Measurement of fair value at Level 3	
I. Continuous measurement of fair value				
◆ Financial assets held for trading		6,022,134,804.98		6,022,134,804.98
1. Specified as financial assets measured at fair value through the current profit or loss		6,022,134,804.98		6,022,134,804.98
(1) Debt instrument investment		6,022,134,804.98		6,022,134,804.98
◆ Investment in other equity instruments			1,043,827,200.00	1,043,827,200.00
◆ Other non-current financial assets			996,866,936.75	996,866,936.75
1. Specified as financial assets measured at fair value through the current profit or loss			996,866,936.75	996,866,936.75
(1) Investment in equity instruments			996,866,936.75	996,866,936.75
Total assets with continuous measurement of fair value	6,022,134,804.98	2,040,694,136.75		8,062,828,941.73
Total liabilities with continuous measurement of fair value				
II. Non-continuous fair value measurement				
Total assets not continuously measured at fair value				
◆ Liabilities held for sale				
Total liabilities not continuously measured at fair value				

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

11 DISCLOSURE OF FAIR VALUE (CONTINUED)**11.2 Qualitative and quantitative information of valuation techniques and key parameters adopted for items measured at the fair value of Level 2 on a going and non-going concern**

Item	Fair value as at June 30, 2025	Valuation techniques	Major parameters	
			Qualitative information	Quantitative information
Structured Deposits	6,022,134,804.98	Market approach	The applicable time deposit interest rate is determined based on the market exchange rate pricing issued as at June 30, 2025	

11.3 Qualitative and quantitative information of valuation techniques and key parameters adopted for items measured at the fair value of Level 3 on a going and non-going concern

Item	Fair value as at June 30, 2025	Valuation techniques	Range interval (weighted average)	
			Unobservable input value	
China Merchants RenHe Life Insurance Company Limited (Other equity instrument investments)	1,043,827,200.00	Market approach	Price-to-book ratio	1.53
China Mobile Equity Fund (Hebei Xiong'an) Partnership (Limited partnership) (Other non-current financial assets)	996,866,936.75	Market approach	Liquidity discount	10%-35%

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

11 DISCLOSURE OF FAIR VALUE (CONTINUED)

11.4 Analysis on the measurement items measured at fair value of level 3 on a going concern, adjustment information between the book value as at the end of the last year and the book value as at the end of last period and sensitivity of unobservable parameters

11.4.1 Analysis on the measurements items measured at fair value of Level 3 reconciliation items

Current profit or loss						Purchases, issuances, sales, and settlements					For assets held at the end of the reporting period, current unrealized gains or changes included in profit or loss
Item	As at December 31, 2024	Transfer to Level 3	Transfer from Level 3	Included in profit or loss	Included in other comprehensive income	Purchases	Issuances	Sales	Settlements	As at June 30, 2025	
◆ Investment in other equity instruments	1,004,312,400.00				39,514,800.00					1,043,827,200.00	
◆ Other non-current financial assets	1,017,411,627.32			5,456,647.07					26,001,337.64	996,866,936.75	5,456,647.07
Financial assets measured at fair value with changes recognized in current profit or loss	1,017,411,627.32			5,456,647.07					26,001,337.64	996,866,936.75	5,456,647.07
— Equity instrument investment	1,017,411,627.32			5,456,647.07					26,001,337.64	996,866,936.75	5,456,647.07
Total	2,021,724,027.32			5,456,647.07	39,514,800.00				26,001,337.64	2,040,694,136.75	5,456,647.07
Including: Gains and losses related to financial assets				5,456,647.07							5,456,647.07
Gains and losses related to non-financial assets											

11.4.2 Unobservable parameters sensitivity analysis

The non-input observable for other equity instruments is the price-to-book ratio range of 1.53, which would result in an increase or decrease in fair value of RMB52.19 million if the price-to-book ratio increased or decreased by 5%.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS**12.1 Parent company of the Company**

Name of parent company	Registration place	Nature of business	Registered capital (in RMB10 thousand)	Shareholding ratio of the parent company in the Company (%)	Voting ratio of the parent company in the Company (%)
China TravelSky Holding Company Limited	No.7 Yumin Street, Houshayu Town, Shunyi District, Beijing, China	Manage all state-owned assets and state-own equity arising from the state investments in the group company and its investees	300,000.00	29.55	29.55

The Company's ultimate controller: the State-owned Assets Supervision and Administration Commission of the State Council.

12.2 Subsidiaries of the Company

See the Note 8 "Equity in other entities" for the details of major subsidiaries the Company.

12.3 Joint ventures and associates of the Company

See the Note 8 "Equity in other entities" for the details of major joint ventures or associates of the Company.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

12.4 Other related parties

Name of other related party	Relationship with the Company
Air China Co., Ltd.	Subsidiary of shareholders of the Company
Shenzhen Airlines Co., Ltd.	A shareholder of the Company
China Southern Airlines Co., Ltd.	Subsidiary of shareholders of the Company
Xiamen Airlines Co., Ltd.	A shareholder of the Company
China Eastern Airlines Co., Ltd.	A shareholder of the Company
Shanghai Airlines Co., Ltd.	Subsidiary of shareholders of the Company
China United Airlines Co., Ltd.	Subsidiary of shareholders of the Company
Hainan Airlines Holding Co., Ltd.	A shareholder of the Company
Sichuan Airlines Co., Ltd.	Subsidiary of shareholders of the Company
Shandong Airlines Co., Ltd.	A shareholder of the Company
CCTS Co., Ltd.	Associate company of the shareholders of the Company
TravelSky Cloud Data Co., Ltd.	Same parent company

12.5 Related-party transactions

12.5.1 Related party transactions on purchase and sales of goods, rendering and receipt of labor services

Purchase of goods/receipt of labor services

Related party	Content of related-party transactions	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Shenyang Civil Aviation Northeast Cares Co., Ltd. and its subsidiaries	Purchase of goods/Technology support fee	112,928,853.09	104,569,579.54
Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	Purchase of goods/Technology support fee	32,636,828.86	29,399,034.33
Shanghai CAAC Huadong Kaiya System Integration Co., Ltd. and its subsidiaries	Purchase of goods/Technology support fee	10,684,268.93	92,158,142.08
Beijing TravelSky Borun Technology Co., Ltd.	Technology support fee	9,048,380.99	9,001,747.94
Xinjiang Hangxin Tianyi Technology Innovation Co., Ltd.	Purchase of goods/Technology support fee	5,222,557.34	

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**12.5 Related-party transactions (Continued)****12.5.1 Related party transactions on purchase and sales of goods, rendering and receipt of labor services (Continued)*****Purchase of goods/receipt of labor services (Continued)***

Related party	Content of related-party transactions	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	Technology support fee	3,539,460.20	1,531,929.81
Heilongjiang TravelSky Airport Network Co., Ltd.	Purchase of goods/ Technology support fee	1,151,960.96	171,749.14
Dalian TravelSky Airport Network LLC	Purchase of goods/ Technology support fee	136,027.72	3,530,394.72
Hebei TravelSky Airport Network Co., Ltd.	Technology support fee	140,312.83	274,592.30
Yantai TravelSky Airport Network Co., Ltd.	Technology support fee	42,155.66	
TravelSky Mobile Technology Co., Ltd.	Purchase of goods/ Technology support fee	3,575,308.54	5,309,689.74
Air China Corporation Limited and its subsidiaries	Technology support fee	3,138,496.67	1,469,811.32
China Southern Airlines Co., Ltd. and its subsidiaries	Technology support fee	2,708,139.40	313,903.49
China Eastern Airlines Co., Ltd. And its subsidiaries	Technology support fee	872,401.15	
Hainan Airlines Holding Co., Ltd. and its subsidiaries	Technology support fee	1,486.79	
TravelSky Cloud Data Co., Ltd.	Technology support fee	1,101,409.02	1,534,891.12
CCTS Co., Ltd.	Technology support fee	1,164,366.65	1,589,617.29

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

12.5 Related-party transactions (Continued)

12.5.1 Related party transactions on purchase and sales of goods, rendering and receipt of labor services (Continued)

Sales of goods/rendering of labor services

Related party	Content of related-party transactions	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Air China Co., Ltd. and its subsidiaries	Aviation Information Technology Service	552,564,057.31	536,032,477.45
China Southern Airlines Company Limited and its subsidiaries	Aviation Information Technology Service	424,200,882.41	495,365,854.48
China Eastern Airlines Corporation Limited and its subsidiaries	Aviation Information Technology Service	494,218,494.35	412,695,099.87
Hainan Airlines Holding Co., Ltd. and its subsidiaries	Aviation Information Technology Service	264,068,888.43	226,842,888.45
Sichuan Airlines Co., Ltd. and its subsidiaries	Aviation Information Technology Service	145,743,723.03	125,323,881.08
Shanghai CAAC Huadong Kaiya System Integration Co., Ltd. and its subsidiaries	Information Technology Service	6,638,058.33	6,169,171.00
Shenyang Civil Aviation Northeast Cares Co., Ltd. and its subsidiaries	Information Technology Service	902,661.14	1,875,702.14
Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	Information Technology Service	3,300,791.40	5,888,494.65
Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	Information Technology Service	963,722.80	657,358.48
Heilongjiang TravelSky Airport Network Co., Ltd.	Information Technology Service	260,424.12	128,754.39
Dalian TravelSky Airport Network LLC.	Information Technology Service	387,263.74	1,906,893.84
Hebei TravelSky Airport Network Co., Ltd.	Information Technology Service	119,811.33	163,207.54
Shanghai Sky Trip Business Travel Agency Co.	Information Technology Service		31,549.05

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**12.5 Related-party transactions (Continued)****12.5.1 Related party transactions on purchase and sales of goods, rendering and receipt of labor services (Continued)***Sales of goods/rendering of labor services (Continued)*

Related party	Content of related-party transactions	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Yantai TravelSky Airport Network Co., Ltd.	Information Technology Service	19,811.32	27,358.50
Guangzhou Airport Hangyi Information Technology Co., Ltd.	Information Technology Service		85,840.71
Xinjiang Hangxin Tianyi Technology Innovation Co., Ltd.	Information Technology Service	3,934,183.53	
TravelSky Mobile Technology Co., Ltd.	Information Technology Service	7,935,158.67	13,349,538.70
TravelSky Cloud Data Co., Ltd.	Information Technology Service	2,023,857.85	1,531,100.19
CCTS Co., Ltd.	Information Technology Service	182,999.56	

12.5.2 Related-party lease

The Company acted as lessee:

Name of lessor	Type of leased assets	For the six months ended June 30, 2025					For the six months ended June 30, 2024				
		Simplified treatment of rental costs for short-term leases and leases of low-value assets	Variable lease payments not included in the lease liabilities	Rent paid	Interest expenses incurred on lease liabilities	Increased right-of-use assets	Simplified treatment of rental costs for short-term leases and leases of low-value assets	Variable lease payments not included in the lease liabilities	Rent paid	Interest expenses incurred on lease liabilities	Increased right-of-use assets
China TravelSky Holding Company Limited	Buildings and constructions			18,300,355.48	1,901,586.72	103,541,759.48			26,102,801.82	791,254.74	147,008,845.59
TravelSky Cloud Data Co., Ltd.	Buildings and constructions			22,796,586.86	1,580,148.24	187,206,393.31			21,009,662.10	1,203,582.02	96,748,173.70
China Eastern Airlines Corporation Limited	Buildings and constructions				35,952.96	2,026,830.78					
China Eastern Airlines Corporation Limited	Others				1,118.05	63,028.73					

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**12.5 Related-party transactions (Continued)****12.5.3 Loans from and to related parties**

Related party	Amount of loans	Starting date	Due date	Remarks
Loans from related parties				
China TravelSky Holding Company Limited	200,000,000.00	2022/3/22	2025/3/21	Principal and interest have been repaid in full
China TravelSky Holding Company Limited	471,200,340.31	2025/5/8	2028/5/8	Principal plus accrued interest

Note: Interest expenses of RMB3,247,368.89 were incurred during the current period.

12.5.4 Asset transfer and debt restructuring of related parties

Related party	Content of related party transactions	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Yunnan TravelSky Airport Network Co., Ltd.	Capital contribution from equity of subsidiaries		61,435,724.75

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**12.6 Receivables from and payables to related parties****12.6.1 Receivables**

Item	Related party	As at June 30, 2025		As at December 31, 2024	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable					
	Air China Limited and its subsidiaries	441,567,643.87	5,540,641.78	462,986,303.06	5,573,928.78
	China Southern Airlines Company Limited and its subsidiaries	1,480,628,527.32	183,048,986.24	1,463,655,332.87	183,048,988.37
	China Eastern Airlines Corporation Limited and its subsidiaries	1,175,542,485.81	2,821,947.98	691,061,423.97	2,821,947.98
	Hainan Airlines Holding Co., Ltd. and its subsidiaries	280,401,075.16	61,545,139.99	377,538,992.73	155,618,574.91
	Sichuan Airlines Co., Ltd. and its subsidiaries	140,703,509.51		56,182,379.74	1,799.96
	Shanghai Civil Aviation East China Cares System Integration Co., Ltd. and its subsidiaries	33,337,076.23		34,275,366.51	5.01
	Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	10,037,200.00		9,793,100.00	
	Shenyang Civil Aviation Northeast Cares Co., Ltd. and its subsidiaries	958,200.00		668,218.87	
	Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	2,232,236.81		19,897,573.29	
	Dalian TravelSky Airport Network LLC	1,005,829.55		1,868,079.55	
	Hebei TravelSky Airport Network Co., Ltd.	4,604,040.00		4,511,540.00	
	Heilongjiang TravelSky Airport Network Co., Ltd.	600.00		115,400.00	
	Xinjiang Hangxin Tianyi Technology Innovation Co., Ltd.	30,562,734.06		30,080,424.56	
	Yantai TravelSky Airport Network Co., Ltd.	8,400.00		4,900.00	
	Guangzhou Air Port Air Wing Information Technology Co., Ltd.			98,113.21	
	TravelSky Mobile Technology Limited	110,345,148.14		103,282,623.97	
	TravelSky Cloud Data Co., Ltd.	7,638,220.68		6,745,685.54	
	CCTS Co., Ltd.	29,200.00			
Notes receivable					
	Hainan Airlines Holding Co., Ltd. and its subsidiaries	245,066,117.58		170,223,062.52	

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

12.6 Receivables from and payables to related parties (Continued)

12.6.1 Receivables (Continued)

Item	Related party	As at June 30, 2025		As at December 31, 2024	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Advances to suppliers	China Southern Airlines Company Limited and its subsidiaries	16,665.90		39.90	
	Shanghai Civil Aviation East China Cares System Integration Co., Ltd. and its subsidiaries	4,767,285.53		2,883,785.53	
	Shenyang Civil Aviation Northeast Cares Co., Ltd. and its subsidiaries	1,090,750.00		2,317,168.99	
	Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	3,822,377.91		1,210,867.60	
	Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	681,597.60		681,597.60	
	Dalian TravelSky Airport Network LLC			14,000.00	
	Heilongjiang TravelSky Airport Network Co., Ltd.	298,800.00			
	TravelSky Mobile Technology Limited	519,068.00		57,468.00	
	Beijing TravelSky Borun Technology Co., Ltd.	40,740.00			
	TravelSky Cloud Data Co., Ltd.	1,559,380.74			
Other receivables	China Southern Airlines Company Limited and its subsidiaries	51,288,073.58		111,757,496.53	
	China Eastern Airlines Corporation Limited and its subsidiaries	284,505,838.22		234,883,053.43	
	Air China Limited and its subsidiaries	448,399,561.27		386,297,991.40	
	Hainan Airlines Holding Co., Ltd. and its subsidiaries	4,956,480.70		20,000.00	
	Sichuan Airlines Co., Ltd. and its subsidiaries	61,826,350.09		10,493,602.57	
	Shenyang Civil Aviation Northeast Cares Co., Ltd. and its subsidiaries			1,827,160.30	
	Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	820,226.23		820,226.23	
	Shanghai Civil Aviation East China Cares System Integration Co., Ltd. and its subsidiaries	4,772,595.46		4,686,311.62	
	Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	789,735.37		1,062,053.76	

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**12.6 Receivables from and payables to related parties (Continued)****12.6.1 Receivables (Continued)**

Item	Related party	As at June 30, 2025		As at December 31, 2024	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Dalian TravelSky Airport Network LLC			570,945.78	
	Guangzhou Air Port Air Wing Information Technology Co., Ltd.	4,691.75		4,691.75	
	Hebei TravelSky Airport Network Co., Ltd.	268,201.38		268,201.38	
	Heilongjiang TravelSky Airport Network Co., Ltd.			233,979.20	
	TravelSky Mobile Technology Limited	3,343,950.14		3,343,950.14	
	Shanghai Sky Pass Business Travel Agency Co.			1,019,254.39	
	Xinjiang TravelSky E-surfing Science and Technology Co., Ltd.	86,283.19		86,283.19	
	China TravelSky Holding Company Limited	482,627.94		482,627.94	
	TravelSky Cloud Data Co., Ltd.			2,980,032.26	
	CCTS Co., Ltd.	5,747,105.49		5,747,105.49	
Dividends receivable					
	Shanghai Civil Aviation East China Cares System Integration Co., Ltd.	2,050,000.00		2,050,000.00	
	Xinjiang TravelSky E-surfing Science and Technology Co., Ltd.	500,000.00		500,000.00	
	Yunnan TravelSky Airport Network Co., Ltd.			2,560,000.00	
Contract assets					
	China Eastern Airlines Corporation Limited and its subsidiaries	5,335.00			
	China Southern Airlines Company Limited and its subsidiaries	16,000.00		16,000.00	
	Hainan Airlines Holding Co., Ltd. and its subsidiaries			6,060.00	
	Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	29,543.40		29,543.40	
	Dalian TravelSky Airport Network LLC	15,000.00		15,000.00	
	Heilongjiang TravelSky Airport Network Co., Ltd.	32,400.00		32,400.00	
	Xinjiang TravelSky E-surfing Science and Technology Co., Ltd.	133,435.00		12,520.00	
	Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	10,140.00		10,140.00	

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
 (Amounts are expressed in RMB unless otherwise stated)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)

12.6 Receivables from and payables to related parties (Continued)

12.6.2 Payables

Item	Related party	As at June 30, 2025	As at December 31, 2024
Accounts payable			
	China TravelSky Holding Company Limited	968,475.59	968,475.59
	TravelSky Cloud Data Co., Ltd.	12,817,572.64	9,824,652.71
	CCTS Co., Ltd.	1,741,386.75	3,536,151.86
	China Southern Airlines Company Limited and its subsidiaries	434,170.90	376,364.79
	Air China Limited and its subsidiaries	115,986.67	701,916.60
	China Eastern Airlines Corporation Limited and its subsidiaries	246,720.28	
	Shenyang Civil Aviation Northeast Cares Co., Ltd. and its subsidiaries	125,804,568.18	160,163,523.58
	Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	49,341,535.82	52,023,237.58
	Shanghai Civil Aviation East China Cares System Integration Co., Ltd. and its subsidiaries	119,175,820.51	126,250,845.89
	Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	11,579,675.52	17,408,850.89
	Xinjiang TravelSky E-surfing Science and Technology Co., Ltd.	13,663,776.17	28,280,746.00
	Guangzhou Skyecho Information Technology Co., Ltd.		11,667.00
	Hebei TravelSky Airport Network Co., Ltd.	1,448,896.60	1,572,625.69
	Dalian TravelSky Airport Network LLC	550,580.65	806,383.89
	Heilongjiang TravelSky Airport Network Co., Ltd.	11,166,899.22	10,432,595.53
	Yantai TravelSky Airport Network Co., Ltd.	17,117.55	274,210.80
	Beijing TravelSky Borun Technology Co., Ltd.	5,170,504.43	2,632,352.40
	TravelSky Mobile Technology Limited	16,288,003.16	14,595,217.45

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**12.6 Receivables from and payables to related parties (Continued)****12.6.2 Payables (Continued)**

Item	Related party	As at June 30, 2025	As at December 31, 2024
Other payables			
	China Eastern Airlines Corporation Limited and its subsidiaries		21,438,326.00
	China Southern Airlines Company Limited and its subsidiaries	25,840,423.78	640,047.13
	Air China Limited and its subsidiaries	7,055,943.33	1,467,835.45
	Hainan Airlines Holding Co., Ltd. and its subsidiaries	1,678,356.26	
	Sichuan Airlines Co., Ltd. and its subsidiaries	150,000.00	
	Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	669,789.41	35,669.40
	TravelSky Mobile Technology Limited	425,600.00	425,600.00
	Shanghai Sky Pass Business Travel Agency Co.		984.00
	China TravelSky Holding Company Limited	7,970,224.98	11,632,948.30
	TravelSky Cloud Data Co., Ltd.		8,500.00
	CCTS Co., Ltd.	118,087.20	976,565.24
Contract liabilities			
	China Southern Airlines Company Limited and its subsidiaries	89,580,000.06	89,510,917.18
	Air China Limited and its subsidiaries	118,233,282.20	121,805,032.43
	China Eastern Airlines Corporation Limited and its subsidiaries	195,094,369.27	142,080,093.54
	Hainan Airlines Holding Co., Ltd. and its subsidiaries	63,037,311.90	101,341,764.49
	Sichuan Airlines Co., Ltd. and its subsidiaries	24,412,881.81	38,367,016.93
	Shenyang Civil Aviation Northeast Cares Co., Ltd. and its subsidiaries		59,851.92
	Shanghai Civil Aviation East China Cares System Integration Co., Ltd	305,533.97	12,994.50

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**12.6 Receivables from and payables to related parties (Continued)****12.6.2 Payables (Continued)**

Item	Related party	As at June 30, 2025	As at December 31, 2024
	Dalian TravelSky Airport Network LLC	198,301.89	85,840.71
	Heilongjiang TravelSky Airport Network Co., Ltd.	389,622.64	418,074.81
	Xinjiang TravelSky E-surfing Science and Technology Co., Ltd.	2,320,754.72	
	Shanghai Sky Pass Business Travel Agency Co.		227,021.93
	China TravelSky Holding Company Limited	707,547.17	971,698.11
	TravelSky Cloud Data Co., Ltd.	27,155.98	62,326.18

12.7 Centralized fund management

None.

13 SHARE-BASED PAYMENT

None.

14 COMMITMENTS AND CONTINGENCIES**14.1 Significant commitments**

On April 16, 2020, the Company, as a limited partner, signed the Agreement on China Mobile Equity Fund (Hebei Xiong'an) Partnership (Limited Partnership) with China Mobile Capital Holding Co., Ltd. and other companies, by which the Company subscribed for a capital contribution of RMB1 billion. As at June 30, 2025, the Company made the actual capital contribution (including fund management fee) of RMB852,175,426.81.

Except for the case mentioned above, the Group has no other commitments required to be disclosed.

14.2 Contingencies

As at June 30, 2025, the Group had no significant contingencies required to be disclosed.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

15 POST BALANCE SHEET EVENTS**15.1 Significant non-adjusting events**

During July to August 2025, a total of RMB89,724,478.48 was received as tax rebate from key software enterprises.

15.2 Profit distribution

None.

16 OTHER SIGNIFICANT EVENTS**16.1 Correction of accounting errors in prior periods**

There were no corrections of accounting errors in previous periods made during the reporting period.

16.2 Annuity plan

All full-time employees of the group participate in the basic pension insurance formulated by the government in accordance with national policies. As at June 30, 2025, the Group paid the basic pension insurance premium according to the maximum 16% of the employees' basic salary not exceeding the upper limit specified by the government department, and the employees paid the basic pension insurance premium according to the proportion of their own salary specified by the government. After reaching the statutory retirement age, employees receive basic pension on a monthly basis. For the six months ended June 30, 2025, the Group's total basic endowment insurance premiums amounted to RMB113,848,446.19 (For the six months ended June 30, 2024: RMB103,533,922.69).

In addition, the Group has established an enterprise annuity plan. The expenses required for an enterprise annuity shall be jointly paid by the enterprise and the individual employees. Employees may voluntarily choose to join or not join the Company's enterprise annuity plan. For the six months ended June 30, 2025, the total enterprise annuity expense of the Group was RMB47,250,654.74 (For the six months ended June 30, 2024: RMB40,923,915.28).

As at June 30, 2025, the Group had no forfeited contributions to reduce its contributions to the defined contribution annuity plan managed by the group in future years.

As at June 30, 2025, the Group had no defined benefit plans.

16.3 Segment information

The Group's business is mainly located in China. The Group operates business only in one industry, i.e., providing aviation information technology and relevant services in China. The Group's revenues mainly come from its related parties and customers in China, and the revenue division made by the Group based on major product or service has been presented in Note 5.43. The Group did not prepare any segment balance sheet and income statement for period ended June 30, 2025 and June 30, 2024.

Meanwhile, as the Group's revenues mainly come from China, and its assets are also in China, there is no regional segment information presented in the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

17 NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

17.1 Accounts receivable

17.1.1 Disclosure of accounts receivable by aging

Aging	As at June 30, 2025	As at December 31, 2024
Within 1 year	3,888,062,376.96	3,975,685,791.61
Including: Subitem within 1 year		
Within 6 months	2,476,969,303.90	2,897,397,990.87
7-12 months	1,411,093,073.06	1,078,287,800.74
1-2 years	1,111,842,030.02	756,251,494.45
2-3 years	289,207,944.64	348,425,060.89
3-4 years	188,832,574.20	48,399,939.70
4-5 years	71,746,277.62	138,555,045.10
Over 5 years	257,531,465.28	223,498,357.48
Sub-total	5,807,222,668.72	5,490,815,689.23
Less: provision for bad debts	843,905,693.51	989,732,625.11
Total	4,963,316,975.21	4,501,083,064.12

17.1.2 Disclosure under the methods of provision for bad debts by category

Category	As at June 30, 2025					As at December 31, 2024				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value
Provision for bad debts accrued on an individual basis	828,304,151.03	14.26	543,700,790.57	65.64	284,603,360.46	937,075,594.38	17.07	622,614,708.39	66.44	314,460,885.99
Provision for bad debts accrued on a portfolio basis of credit risk characteristics	4,978,918,517.69	85.74	300,204,902.94	6.03	4,678,713,614.75	4,553,740,094.85	82.93	367,117,916.72	8.06	4,186,622,178.13
Total	5,807,222,668.72	100.00	843,905,693.51		4,963,316,975.21	5,490,815,689.23	100.00	989,732,625.11		4,501,083,064.12

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

17 NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)**17.1 Accounts receivable (Continued)****17.1.2 Disclosure under the methods of provision for bad debts by category (Continued)**

Provision for bad debts accrued on an individual basis:

Entity	As at June 30, 2025				As at December 31, 2024	
	Accounts receivable	Provision for bad debts	Proportion of provision (%)	Reason for provision	Accounts receivable	Provision for bad debts
Customer 1	189,204,339.30	5,838,714.72	3.09	Poor financial situation	233,931,425.17	50,504,038.94
Customer 2	182,618,679.13	182,618,679.13	100.00	Significant uncertainty about recoverability	182,618,679.13	182,618,679.13
Customer 3	164,442,462.79	159,946,841.07	97.27	Operating difficulties	148,121,954.26	132,043,017.56
Customer 4	70,238,348.38	70,238,348.38	100.00	Significant uncertainty about recoverability	62,246,713.30	34,005,774.28
Customer 5	56,725,632.25	45,005,072.38	79.34	Poor financial situation	79,762,103.19	69,810,061.38
Customer 6	43,858,045.30	28,432,578.01	64.83	Poor financial situation	57,194,823.29	45,248,042.32
Customer 7	27,096,959.61	10,505,355.13	38.77	Poor financial situation	54,499,754.25	39,276,262.72
Customer 8	16,304,439.54	4,392,901.09	26.94	Poor financial situation	18,162,189.27	3,906,929.28
Customer 9	14,437,862.88	4,982,889.21	34.51	Operating deterioration	14,322,529.89	9,668,871.67
Customer 10	8,951,531.34	3,944,006.59	44.06	Poor financial situation	19,526,752.14	13,966,667.78
Others	54,425,850.51	27,795,404.86	51.07		66,688,670.49	41,566,363.33
Total	828,304,151.03	543,700,790.57			937,075,594.38	622,614,708.39

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

17 NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

17.1 Accounts receivable (Continued)

17.1.2 Disclosure under the methods of provision for bad debts by category (Continued)

Provision for bad debts accrued on a portfolio basis of credit risk characteristics:

Item accrued on a portfolio basis:

Portfolio	As at June 30, 2025		
	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Accounts receivable from third-parties	1,646,898,888.44	300,204,902.94	18.23
Accounts receivable from related parties	3,332,019,629.25		
Total	4,978,918,517.69	300,204,902.94	

17.1.3 Provision, reversal or recovery of provision for bad debts in 2025

Item	As at December 31, 2024	Changes in the current period				As at June 30, 2025
		Provision	Reversal/ Recovery	Write-off/ charge-off	Other changes	
Provision for bad debts accrued on an individual basis	622,614,708.39	-78,913,917.82				543,700,790.57
Provision for bad debts accrued on a portfolio basis of credit risk characteristics	367,117,916.72	-66,913,013.78				300,204,902.94
Total	989,732,625.11	-145,826,931.60				843,905,693.51

17.1.4 Top five of accounts receivable and contract asset as at June 30, 2025 presented by debtors

The sum amount of top five of accounts receivable and contract asset presented by debtors is RMB2,867,084,740.90, accounting for 48.53% of the total ending balance of accounts receivable and contract asset, and the corresponding ending balance of allowance for bad debts is RMB202,702,513.43 in aggregate.

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

17 NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)**17.2 Other receivables**

Item	As at June 30, 2025	As at December 31, 2024
Interest receivable		
Dividends receivable	50,889,500.00	52,433,800.00
Other receivables	339,225,250.66	312,323,447.16
Total	390,114,750.66	364,757,247.16

17.2.1 Dividends receivable*Details of dividends receivable*

Item (or investee)	As at June 30, 2025	As at December 31, 2024
Xinjiang Civil Aviation Kaiya Information Network Co., Ltd.	29,412,700.00	29,412,700.00
Qingdao Civil Aviation Cares Co., Ltd.	10,200,000.00	10,200,000.00
Hainan Civil Aviation Cares Co., Ltd.	7,711,100.00	7,711,100.00
Shanghai Civil Aviation East China Cares System Integration Co., Ltd	2,050,000.00	2,050,000.00
Xinjiang TravelSky E-surfing Science and Technology Co., Ltd.	500,000.00	500,000.00
Yunnan TravelSky Airport Network Co., Ltd.		2,560,000.00
Xi'an Civil Aviation Cares Technology Co., Ltd.	1,015,700.00	
Sub-total	50,889,500.00	52,433,800.00
Less: Provision for bad debts		
Total	50,889,500.00	52,433,800.00

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

17 NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

17.2 Other receivables (Continued)

17.2.2 Other receivables

(1) Disclosure by aging

Aging	As at June 30, 2025	As at December 31, 2024
Within 1 year	128,128,682.15	99,846,693.29
Including: subitem within 1 year		
Within 6 months	115,705,144.61	86,388,449.60
7-12 months	12,423,537.54	13,458,243.69
1-2 years	67,081,926.59	67,728,759.40
2-3 years	17,210,566.25	17,486,628.25
3-4 years	7,378,072.52	9,328,105.81
4-5 years	3,315,223.52	2,309,474.98
Over 5 years	116,110,779.63	115,623,785.43
Sub-total	339,225,250.66	312,323,447.16
Less: provision for bad debts		
Total	339,225,250.66	312,323,447.16

(2) Disclosure under the methods of provision for bad debts by category

Category	As at June 30, 2025					As at December 31, 2024				
	Book balance	Provision for bad debts		Proportion of provision		Book balance	Provision for bad debts		Proportion of provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Book value	Amount	Proportion (%)	Amount	Proportion (%)	Book value
Provision for bad debts accrued on an individual basis										
Provision for bad debts accrued on a portfolio basis of credit risk characteristics	339,225,250.66	100.00			339,225,250.66	312,323,447.16	100.00			312,323,447.16
Total	339,225,250.66	100.00			339,225,250.66	312,323,447.16	100.00			312,323,447.16

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

17 NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)**17.2 Other receivables (Continued)****17.2.2 Other receivables (Continued)****(2) Disclosure under the methods of provision for bad debts by category (Continued)**

Provision for bad debts accrued on a portfolio basis of credit risk characteristics:

Item accrued on a portfolio basis:

Name	As at June 30, 2025		
	Other receivables	Provision for bad debts	Proportion of provision (%)
Non-related parties	131,565,370.02		
Related parties	207,659,880.64		
Total	339,225,250.66		

(3) Changes in the book balance of other receivables are as follows:

	Phase 1	Phase 2	Phase 3	
		Expected credit losses for the entire duration (no credit impairment)	Expected credit losses for the entire duration (credit impairment)	
Book balance	Expected credit losses in the next 12 months			Total
Balance as at				
December 31, 2024	312,323,447.16			312,323,447.16
In 2025, balance as at				
December 31, 2024				
— Transfer to Phase 2				
— Transfer to Phase 3				
— Reversal from Phase 2				
— Reversal from Phase 1				
Increase in 2025	26,901,803.50			26,901,803.50
Derecognition in 2025				
Other changes				
Balance as at				
June 30, 2025	339,225,250.66			339,225,250.66

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

17 NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

17.2 Other receivables (Continued)

17.2.2 Other receivables (Continued)

(4) Classification of other receivables by the nature of payment

Nature	As at June 30, 2025	As at December 31, 2024
Insurance reserve funds of personnel stationed abroad	88,128,156.58	96,618,231.78
Advance payments	108,198,476.31	71,906,010.51
Deposit payments	5,954,480.78	6,597,859.28
Reserve funds	84,630.28	124,153.49
Others	136,859,506.71	137,077,192.10
Total	339,225,250.66	312,323,447.16

(5) Top five of other receivable as at June 30, 2025 presented by debtors

The sum amount of top five of other receivables presented by debtors is RMB279,894,354.06, accounting for 82.51% of the total balance of other receivables as at June 30, 2025. The ending balance of the corresponding provision for bad debts is RMB0.00.

17.3 Long-term equity investments

Category	As at June 30, 2025			As at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiary	2,066,899,557.32		2,066,899,557.32	2,066,899,557.32		2,066,899,557.32
Investment in associates and joint ventures	694,714,925.99		694,714,925.99	682,451,949.73		682,451,949.73
Total	2,761,614,483.31		2,761,614,483.31	2,749,351,507.05		2,749,351,507.05

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

17 NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)**17.3 Long-term equity investments (Continued)****17.3.1 Investment in subsidiaries**

Investees	Balance	Balance of	Increase/decrease in 2025				Balance of
	as at December 31, 2024	provision for impairment as at December 31, 2024	Additional investment	Reduced investment	Provision for impairment	Others	as at June 30, 2025
Hainan Civil Aviation Cares Co., Ltd.	10,205,095.00						10,205,095.00
Shenzhen Civil Aviation Cares Co., Ltd.	4,302,941.18						4,302,941.18
Hubei Civil Aviation Cares Co., Ltd.	11,446,825.00						11,446,825.00
Chongqing Civil Aviation Cares Information Technology Co., Ltd.	4,998,000.00						4,998,000.00
Xiamen Civil Aviation Cares Co., Ltd.	1,020,000.00						1,020,000.00
Infosky Information Technology Co., Ltd.	153,820,754.50						153,820,754.50
Qingdao Civil Aviation Cares Co., Ltd.	1,020,000.00						1,020,000.00
Xi'an Civil Aviation Cares Technology Co., Ltd.	1,020,000.00						1,020,000.00
Xinjiang Civil Aviation Cares Technology Co., Ltd.	1,530,000.00						1,530,000.00
Guangzhou TravelSky Technology Limited	400,000,000.00						400,000,000.00
Shanghai TravelSky Technology Limited	4,000,000.00						4,000,000.00
Accounting Center of China Aviation TravelSky International Limited	853,519,487.07						853,519,487.07
TravelSky Technology (Singapore) Limited	11,364,427.02						11,364,427.02
TravelSky Cares (Beijing) Property Co., Ltd.	353,594,927.55						353,594,927.55
Hunan TravelSky Technology Limited	10,000,000.00						10,000,000.00
Inner Mongolia Civil Aviation Information Technology Co., Ltd.	30,000,000.00						30,000,000.00
Beijing TravelSky Travel Service Co., Ltd.	5,000,000.00						5,000,000.00
Travelsky Yunzhi Technology (Beijing) Co., Ltd.	72,000,000.00						72,000,000.00
Henan Civil Aviation Information Technology Co., Ltd.	50,000,000.00						50,000,000.00
Zhejiang Civil Aviation Information Technology Co., Ltd.	10,000,000.00						10,000,000.00
Beijing TravelSky Technology Limited	19,047,100.00						19,047,100.00
Guangzhou Skyecho Information Technology Co., Ltd.	50,010,000.00						50,010,000.00
TravelSky Digital Intelligence Technology (Beijing) Co., Ltd.	4,000,000.00						4,000,000.00
	5,000,000.00						5,000,000.00
Total	2,066,899,557.32						2,066,899,557.32

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025
(Amounts are expressed in RMB unless otherwise stated)

17 NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

17.3 Long-term equity investments (Continued)

17.3.2 Investments in associates and joint ventures

Investees	Balance as at December 31, 2024	Balance of provision for impairment as at December 31, 2024	Increase/decrease in 2025						Provision for impairment as at June 30, 2025
			Additional investment	Reduced investment	Profit or loss on investments recognized under the equity method	Adjustment to other comprehensive income	Changes in other equity	Cash dividends or profits declared to be distributed	Others
1. Joint ventures									
Helongjiang TravelSky Airport Network Co., Ltd.	26,353,430.47				1,598,757.02				27,952,187.49
Dalian TravelSky Airport Network LLC	26,345,554.68				-33,770.09				26,331,784.59
Hebei TravelSky Airport Network Co., Ltd.	15,926,740.70				1,342,444.42				17,289,185.32
Xinjiang Hangxin Tianyi Technology Innovation Co., Ltd.	31,548,971.16				-5,405,295.10				26,143,676.06
Yunnan TravelSky Airport Network Co., Ltd.	117,000,426.96				809,845.16				117,810,272.12
Sub-total	217,195,123.97				-1,468,018.39				215,527,105.58
2. Associates									
Beijing TravelSky Borun Technology Co., Ltd.	61,237,607.23				3,158,436.44				64,396,043.89
TravelSky Mobile Technology Limited	35,331,290.71				-2,503,702.99				32,827,587.72
Shanghai Civil Aviation East China Cares System Integration Co., Ltd.	94,315,008.91				-1,442,178.96				92,872,829.95
Shenyang Civil Aviation Northeast Cares Co., Ltd.	164,649,228.86				7,037,581.58				171,686,810.44
Chengdu Civil Aviation Southwest Cares Co., Ltd.	94,656,368.59				7,374,049.15				102,030,417.74
Guangzhou Airport Hangyi Information Technology Co., Ltd.	6,946,968.81				385,231.24				7,332,200.05
Yantai TravelSky Airport Network Co., Ltd.	8,120,352.65				121,577.97				8,241,930.62
Sub-total	445,256,825.76				13,930,994.45				479,187,820.41
Total	682,451,949.73				12,242,976.26				694,714,925.99

17.4 Operating revenue and operating costs

Operating revenue and operating costs

Item	For the six months ended June 30, 2025		For the six months ended June 30, 2024	
	Revenue	Cost	Revenue	Cost
Primary businesses	3,154,638,646.20	1,305,613,931.11	3,296,634,190.99	1,344,722,538.39
Other businesses	10,567,675.68	4,152,025.53	16,705,112.37	4,121,820.66
Total	3,165,206,321.88	1,309,765,956.64	3,313,339,303.36	1,348,844,359.05

NOTES TO FINANCIAL STATEMENTS

For the Six Months Ended June 30, 2025

(Amounts are expressed in RMB unless otherwise stated)

17 NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)**17.5 Investment income**

Item	For the six months ended June 30, 2025	For the six months ended June 30, 2024
Income from long-term equity investments calculated under cost method	1,015,700.00	1,334,500.00
Income from long-term equity investments calculated under equity method	12,262,976.26	-14,518,585.49
Gains from disposal of long-term equity investments	115,292.51	21,404,570.75
Income from held-for-trading financial assets during the holding period	8,858,877.99	29,540,454.50
Interest income from debt investment during the holding period	8,697,113.52	
Total	30,949,960.28	37,760,939.76

TRAVELSKY TECHNOLOGY LIMITED

August 21, 2025

CORPORATE INFORMATION

(As of the latest practicable date September 3, 2025 before the issue date of this report)

BOARD

The seventh session of the board of directors of the Company established by election by shareholders on February 27, 2020 comprises:

Huang Rongshun	Chairman, Executive Director (appointed on August 5, 2021) and General Manager
Sun Yuquan	Non-executive Director (appointed on January 25, 2024)
Qu Guangji	Non-executive Director (appointed on January 25, 2024)
He Xiaoqun	Non-executive Director (appointed on June 12, 2025)
Liu Zehong	Independent Non-executive Director (appointed on September 1, 2022)
Chan Wing Tak Kevin	Independent Non-executive Director (appointed on September 1, 2022)
Xu Hongzhi	Independent Non-executive Director (appointed on September 1, 2022)
Liang Shuang	Employee Representative Director (appointed on January 23, 2025)

AUDIT AND RISK MANAGEMENT COMMITTEE (SUPERVISION COMMITTEE)

Chan Wing Tak Kevin	Chief Member (Chairman) (appointed on September 1, 2022)
Liu Zehong	Member (appointed on September 1, 2022)
Xu Hongzhi	Member (appointed on September 1, 2022)

REMUNERATION AND EVALUATION COMMITTEE

Liu Zehong	Chief Member (Chairman) (appointed on September 1, 2022)
Chan Wing Tak Kevin	Member (appointed on September 1, 2022)
Xu Hongzhi	Member (appointed on September 1, 2022)

NOMINATION COMMITTEE

Huang Rongshun	Chief Member (Chairman) (appointed on August 5, 2021)
Liu Zehong	Member (appointed on September 1, 2022)
Xu Hongzhi	Member (appointed on September 1, 2022)

STRATEGY AND INVESTMENT COMMITTEE (LEGAL COMPLIANCE COMMITTEE)

Huang Rongshun	Chief Member (Chairman) (appointed on August 5, 2021)
Sun Yuquan	Member (appointed on January 25, 2024)
Qu Guangji	Member (appointed on January 25, 2024)
He Xiaoqun	Member (appointed on June 12, 2025)
Liu Zehong	Member (appointed on January 18, 2023)

CORPORATE INFORMATION

(As of the latest practicable date September 3, 2025 before the issue date of this report)

DIRECTOR RESIGNED INCLUDING HIS RESPECTIVE DUTY IN THE SPECIAL COMMITTEE

Xi Sheng	Non-executive Director (appointed on February 27, 2020, resigned on June 22, 2025), Member of the Strategy Committee (appointed on February 27, 2020, resigned on June 22, 2025)
----------	--

SUPERVISORY COMMITTEE

The seventh session of the Supervisory Committee established by election by shareholders on February 27, 2020 (except for the employee representative supervisors) comprises:

Zhang Xin	Employee Representative Supervisor (appointed by the employee representative meeting of the Company on January 17, 2024)
Bai Bin	Supervisor (appointed on June 15, 2023)
Lyu Wei	Supervisor (appointed on January 23, 2025)

SUPERVISOR RESIGNED

Yang Jun	Supervisor (appointed on June 16, 2022, resigned on January 23, 2025)
----------	---

SENIOR MANAGEMENT

Huang Rongshun	General Manager (appointed on April 29, 2022), Chairman, Executive Director
Liu Xianqing	Chief Accountant (appointed on September 29, 2024)
Li Jinsong	Vice General Manager (appointed on November 14, 2016)
Liang Haifeng	Vice General Manager (appointed on August 27, 2020)
Du Xiaoming	Vice General Manager (appointed on June 4, 2025)
Yu Bo	Vice General Manager (appointed on June 4, 2025)
Yu Xiaochun	Company Secretary (Secretary to the Board, appointed on March 16, 2010)

SENIOR MANAGEMENT RESIGNED

Yuan Leifeng	Vice General Manager (appointed on July 23, 2020, resigned on January 20, 2025)
--------------	---

REGISTERED ADDRESS

7 Yu Min Da Street, Houshayu Town, Shunyi District
Beijing 101308, PRC

CORPORATE INFORMATION

(As of the latest practicable date September 3, 2025 before the issue date of this report)

PLACE OF BUSINESS IN HONG KONG

Room 2201-05, 22/F., China Resources Building
26 Harbour Road, Wanchai
Hong Kong

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited
Stock Code: 00696

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Hong Kong Registrars Limited
Shops 1712-1716, 17/F, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

DEPOSITARY OF SPONSORED LEVEL I AMERICAN DEPOSITARY RECEIPT PROGRAMME

The Bank of New York Mellon

Shareholder correspondence:

BNY Mellon Shareowner Services
P.O. Box 43006
Providence RI 02940-3078

Overnight Correspondence:

BNY Mellon Shareowner Services
150 Royall St., Suite 101
Canton, MA 02021
Tel. +1 888-269-2377 (toll-free number in the U.S.)
Tel. +1 201 680 6825 (international)
www.mybnymdr.com

AUDITOR

BDO China SHU LUN PAN Certified Public Accountants LLP
Room 1410, Fanli Building,
No. 22 Chaoyangmenwai Street,
Chaoyang District, Beijing 100020,
PRC

According to the Financial Reporting Council Ordinance (Cap 588) of Hong Kong effective on October 1, 2019, BDO China SHU LUN PAN Certified Public Accountants LLP engaged by the Company is a recognised PRC auditor.

CORPORATE INFORMATION

(As of the latest practicable date September 3, 2025 before the issue date of this report)

LEGAL ADVISERS

As to Hong Kong law:

Baker & McKenzie
14th Floor, One Taikoo Place,
979 King's Road, Quarry Bay,
Hong Kong

As to the PRC law:

Commerce & Finance Law Offices
12-14/F China World Tower 2,
No.1 Jianguomenwai Avenue, Beijing, PRC

CONTACT DETAILS FOR INVESTORS

Beijing:	Board office	HK:	Public Relations Consultant
Postal address:	TravelSky High-Tech Industrial Park, Houshayu Town, Shunyi District, Beijing 101318, PRC		Ever Bloom (HK) Communications Consultants Group Limited 10/F, 80 Gloucester Road, Wanchai, Hong Kong
Telephone:	(8610) 5765 0696	Tel:	852-3468 8640
Facsimile:	(8610) 5765 0695	Fax:	852-2111 1103
Email:	ir@travelsky.com.cn	Email:	travelsky.list@everbloom.com.cn
Website:	www.travelskyir.com		

COMPANY'S WEBSITES

Website of consolidated information of the Company:

www.travelsky.cn

Website established in accordance with Rule 2.07C(6)(a) of the Listing Rules:

www.travelskyir.com

You may obtain the English and Chinese versions of the financial reports, announcements, circulars, operation data and results presentation of the Company through this website.



Tel: (8610) 5765 0696
Fax: (8610) 5765 0695
Email: ir@travelsky.com.cn (Contact details for investors)
Address: TravelSky High-Tech Industrial Park, Houshayu Town,
Shunyi District, Beijing, PRC
Postal Code: 101318
Website: www.travelskyir.com