



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)

Over **400** Linked Airlines



• **51** Host Airlines



• **World's top 3** largest aviation processing system for 9 consecutive years

• **World's Largest** BSP Data Processing Center



• **268** Domestic Airports

• **196** Oversea Airports

• **69** Airport Digitalization Projects on New Airports

• **84** Airport Digitalization Projects Under Construction



ANNUAL REPORT
2025

CORPORATE PROFILE

TravelSky Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is a comprehensive smart information service enterprise in China’s aviation and travel industry, a national team for the operation and service of critical information infrastructure, a key force of the digital ecological network for aviation and travel, and an important technological force for national strategies. The Group possesses a leading technological innovation system in the field of aviation and travel information services, undertaking the important mission of supporting the national strategy of building a strong transportation nation, promoting the digital transformation of the aviation and travel industry, and serving the national economy and people’s livelihood. It has established reservation, departure, distribution, settlement and other important information systems that support the digital development of civil aviation.

The Company was incorporated in the People’s Republic of China (the “**PRC**” or “**China**”) on October 18, 2000, and was listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (stock code: 00696) on February 7, 2001. On December 27, 2002, the American depositary shares under the Sponsored Level I American Depositary Receipt Programme established by the Company commenced trading on the U.S. over-the-counter market (OTC). The H shares of the Company have been added to the lists of Hang Seng, MSCI important related indices, Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, etc.

As of December 31, 2025, the largest shareholder of the Company is China TravelSky Holding Company Limited, which holds approximately 29.55% of the equity interest in the Company. A total of approximately 38.58% of the equity interest in the Company is held by 14 domestic shareholders, including China National Aviation Holding Corporation Limited, China Mobile Capital Holding Co., Ltd., China Southern Air Holding Company Limited and China Eastern Air Holding Company Limited. The remaining 31.87% of the equity interest in the Company is held by holders of its H shares.

As of December 31, 2025, the Company has over 20 domestic subsidiaries in China, including Accounting Centre of China Aviation Limited Company (“**ACCA**”), Cares Shenzhen Co., Ltd., Civil Aviation Cares of Qingdao Ltd., etc. The Company has overseas wholly-owned subsidiaries in many regions and countries, including Hong Kong, Singapore, Ireland, etc., and holds equity interests in over 10 associates, including Shanghai Civil Aviation East China Cares System Integration Co., Ltd., Aviation Cares of Southwest Chengdu, Ltd., TravelSky Mobile Technology Limited, etc.



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FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED DECEMBER 31, 2025

The audited financial statements of the Company are prepared in accordance with China Accounting Standards for Business Enterprises ("CASBE").

	For the year ended December 31				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Operating revenue	5,476,177	5,210,106	6,983,847	8,823,023	8,765,840
Total profit	663,883	735,139	1,612,136	2,394,526	2,684,733
Net profit attributable to shareholders of the parent	551,301	627,052	1,398,952	2,074,273	2,341,562
Earnings per share (basic and diluted) (RMB)	0.19	0.21	0.48	0.71	0.80

Note: Earnings per share were calculated on the basis of total number of shares in issue of the Company of 2,926,209,589 shares as at December 31, 2025.

	As at December 31				
	2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Total assets	24,111,139	25,237,623	27,500,129	29,694,646	33,190,595
Total liabilities	4,881,056	5,495,393	6,481,535	6,797,660	8,565,368
Total equity	19,230,083	19,742,230	21,018,594	22,896,986	24,625,228

STATEMENT OF THE BOARD



Jiang Bo

Chairman and Executive Director

The year of 2025 stood as a critical year for the conclusion of the “14th Five-Year Plan” and the planning of the “15th Five-Year Plan”. During the year, China’s economy continued to pick up and improve, the potential of domestic demand was continuously released, and the high-quality development of the civil aviation industry reached a new level, maintaining an overall trend of making steady progress with a steady and positive development. The Company seized development opportunities, actively responded to challenges, and scientifically promoted its layout, with the scale of operations growing steadily, and the profitability and operational efficiency improving simultaneously, demonstrating good development resilience and vitality. The net profit for the year represented a year-on-year increase of 13.0%; earnings per share represented a year-on-year increase of 12.7%.

In 2025, the Group built a strong line of defense for safety, maintained the stable operation of safe production for 19 consecutive years, and successfully completed the security operation guarantee tasks for the civil aviation passenger information system during various events of significance, such as the Spring Festival travel rush, the Asian Winter Games, the National Games and the Fourth Plenary Session of the 20th CPC Central Committee. The Group focused on innovation-driven development, and was recognized as a National Key Software Enterprise for 19 consecutive years. We comprehensively promoted the tackling of core technologies, with achievements selected into the “Recommended Catalogue of Scientific and Technological Innovation Achievements of Central SOEs”. We were approved for one national science and technology project, awarded 15 technological awards at various levels, and granted 141 patents, including 110 invention patents. Meanwhile, the Group improved the quality and efficiency of operations. The main businesses were advanced solidly, and long-term agreements were successfully signed with multiple strategic customers, marking a new stage of benign and sustainable development in cooperation with key customers. Moreover,

STATEMENT OF THE BOARD

the Group vigorously expanded international businesses, responded to the national “Belt and Road Initiative”, and supported the opening of international routes by domestic airlines, completing 147 implementations at 80 overseas stations throughout the year. We consolidated the foundation of reform. The market-oriented incentive mechanism was continuously improved, with remuneration tilting towards core key talents and grassroots frontline staff, and the modernization level of the governance system continued to improve.

2026 is a crucial year for ensuring a strong start and a solid beginning of the “15th Five-Year Plan”. The Group will adopt “Reform and Transformation” as its operational theme, centering on the core requirements of “laying a solid foundation, deepening reform, and achieving comprehensive transformation”. Efforts will be concentrated on the following six aspects: Firstly, pursuing breakthroughs in core technologies and intensifying efforts in capability enhancement. We will accelerate the development of the civil aviation passenger service system and continuously enhance the core competitiveness of the Group. Secondly, expanding core business operations to secure the value creation offensive. We will enhance our enabling capabilities for the civil aviation market, prioritize the digital transformation of aviation and airport operations, and actively position ourselves in the emerging low-altitude economy sector. We will also accelerate the development and promotion of overseas versions of our mature products, and assist domestic airlines in “going global” to expand their international market share. Thirdly, fortifying safety foundations to secure the decisive victory in achieving lasting stability. We will strictly adhere to the red-line goals of production safety and cybersecurity, promote the transformation of the safety governance model towards “proactive early warning and real-time response”. We will enhance our self-reliance and control over critical technologies and infrastructure, establish a full-lifecycle governance system for open-source software, accelerate the shift towards intelligent operations and maintenance, and improve the disaster recovery system planning of “three centers in two locations” to build a robust information security barrier for civil aviation. Fourthly, implementing comprehensive lean management to advance the campaign for quality enhancement and efficiency gains. Benchmarking against world-class enterprise management levels, we will promote lean management across enterprise, capital, costs, procurement, and human resources. Strengthening the value creation functions of the headquarters, we will establish a cost control system for the entire value chain, build a strong echelon of scientific and technological talents, improve talent evaluation and incentive mechanisms, implement the market-oriented exit system, and enhance all-factor productivity. Fifthly, organizing structural adjustments to advance the reform deepening campaign. We will coordinate reforms across the three major systems of market, R&D, and operation, deepen differentiated reforms in our subsidiaries, streamline the functions of headquarters departments, and establish a new headquarters model characterized by clear objectives and efficient collaboration. This will dismantle functional silos, enhance organizational responsiveness to business needs, and stimulate the Company’s intrinsic dynamism. Sixthly, advancing the Digital Aviation Information Construction to secure the momentum shift. Anchoring the core direction of digital transformation, we will complete the Digital Aviation Information Construction Plan under the “15th Five-Year Plan”, promote digital human resources transformation, achieve financial penetration supervision and full integration of business and finance, and establish an integrated digital platform for the market system. We will also deepen the integrated supervision of procurement contracts, initiate the construction of smart parks, and comprehensively improve the level of digital operations to facilitate the digital and intelligent transformation of the civil aviation industry.

STATEMENT OF THE BOARD

Finally, on behalf of the Board, I would like to extend my gratitude to all shareholders, investors, customers, and directors for their long-term trust and support! My thanks also go to all my colleagues in the Group for their united efforts and relentless dedication! In the new year, the Group will continue to provide higher-quality and more convenient services for the broad users in the civil aviation industry. We will strive to establish ourselves as a world-class comprehensive intelligent information service enterprise for aviation and travel, create greater value for shareholders and the society, and contribute greater strength to composing a new chapter in the development of civil aviation in a country with strong transportation network!

BUSINESS REVIEW

In 2025, despite prevailing uncertainties in the international landscape, China's economy forged ahead under pressure, pursuing renewed and enhanced development. The civil aviation industry maintained an overall trend of making steady progress with a steady and positive development, laying a solid foundation for the business development of the Group. Capitalizing on industry opportunities, the Group strengthened its core capabilities and enhanced its competitive edge, ensuring steady and orderly advancement across all business operations.

Aviation Information Platform Services

The Group provides electronic travel distribution ("**ETD**") services (including inventory control system ("**ICS**") services and computer reservation system ("**CRS**") services) and airport passenger processing system ("**APP**") services, as well as information technology services related to the above core businesses to 41 Chinese airlines and over 400 foreign and regional airlines. Meanwhile, the Group achieved direct links and high-level networking to all Global Distribution Systems ("**GDSs**") around the world and 133 foreign and regional airlines.

In 2025, the ETD system of the Group processed data of approximately 767.0 million passengers for domestic and international airlines, marking a year-on-year growth of about 4.7% compared to the same period in 2024, in which the system processed about 4.9% year-on-year more data of passengers for Chinese airlines and about 4.7% year-on-year less data of passengers for foreign and regional airlines.

In 2025, in terms of aviation logistics information services, the Group promoted and upgraded products such as airport cargo terminal production systems and airport cargo security information systems, and finished the launch of airport cargo terminal production systems at 8 airports and airport cargo security inspection systems at 16 airports.

Accounting, Settlement and Clearing Services

The Group provided accounting, settlement and clearing services, information system development and support services and air travel financial services to airlines and other aviation corporations through Accounting Centre of China Aviation Company Limited ("**ACCA**"), a wholly-owned subsidiary of the Company, which strongly strengthened the industry chain for the Group's information technology business in the air transportation and travel industry. Apart from being the world's largest service provider of IATA Billing and Settlement Plan (BSP) Information Processing and the only Information Processing Software service provider, ACCA is also the leading service provider of outsourced services and system products services in revenue management and provider of emerging air travel finance in the civil aviation industry in the PRC, its major customers including domestic passenger and cargo airlines, overseas and regional airlines, domestic airports, government organizations and IATA.

In 2025, there were approximately 1,308.0 million transactions processed with the Group's accounting, settlement and clearing system, representing a year-on-year increase of 3.5%. Revenue from agency settlement for passengers, cargo and mail transport, miscellaneous fees, and international and domestic clearing fees exceeded RMB73.16 billion, representing a year-on-year increase of 10.0%. 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 revenue management platform that complies with the technical standards of IATA New Distribution Capabilities ("**NDC**") and ONE ORDER has been continuously optimized, while being successfully put into operation for 6 airlines, further supporting innovative business processes such as real-time settlement and order settlement. The International Passenger Revenue Accounting ("**IPRA**") system deepened integration with the mainstream ERP system ("**SAP**") ecosystem of overseas airlines, reinforcing its dominant position in settlement systems.

Airport Digitalization Services

In 2025, the Group continued to explore approaches to empowering the smart transformation of airports through technology and supporting the development of local economies through innovation. We continued to deepen the construction of airport digitalization, with our comprehensive smart airport digitalization projects put into operation at 9 airports with an annual passenger throughput of over 10 million, including Guangzhou, Chongqing, Xi'an and Urumqi. The smart airport middle platform was promoted to 18 airports with an annual passenger throughput of over 10 million. The smart travel platform based on facial recognition was launched at 52 airports nationwide, and the Radio Frequency Identification (RFID)-based end-to-end luggage tracking system has been extended to over 90 airports. We continued to deepen transit passenger services, and the "Civil Aviation Transit Passenger Service Platform" has been put into operation at over 250 airports. We innovated the "Link the trunk and branch, connect urban and remote" service model and launched the innovative through-check-in service for "Multiple Airports in One City", successfully creating a new model for cross-airline transits. We reached a strategic cooperation with Singapore Changi Airport on a Self Bag Drop services platform, assisting domestic airlines in "going global" through a unified channel for the first time and creating a new model for globalization.

BUSINESS REVIEW

Aviation Travel Intelligent Products and Services

In 2025, the Group continued to enhance Aviation Travel Intelligent Products and Services, with an aim to fulfill the demand of airlines for travel convenience, auxiliary services, e-commerce and international services. The Travel Retail Platform (TRP) for airlines supported the customer-centered business model of airlines, providing stable support for the digital transformation of 19 airlines. The Airlines Total Operation Management System (ATOMS) covered 7 airlines and was put into operation at over 50 terminals, effectively enhancing operational efficiency and service assurance levels.

In 2025, the Group seized tightly the new opportunities in the construction of digital China and the development of the low-altitude economy to promote the deep integration of the digital economy and the real economy. We secured contracts with over 10 customers for our data intelligence application products and data governance solutions. We accelerated the plan of low-altitude economy and established strategic cooperation for the low-altitude economy with key enterprises in various regions. The self-developed “Manned-Unmanned Aerial Vehicle Cooperative System” was successfully put into operation at Xinjiang Shihezi and Yunnan Wenshan airports, completing the first-ever integrated flight verification at transport airports.

In 2025, in terms of innovative business and artificial intelligence applications, we took the lead in formulating international blockchain standards and built an innovative business foundation based on the “Air Travel Chain” and digital Renminbi service platform, serving a total of 53 customers. The vertical large models such as “Qihang (启航)” and “Gongxiang Ruixing (共翔睿行)” have been promoted and applied.

Information Network and Digital Infrastructure Services

In 2025, the Group’s information network services reached 32 overseas countries and regions. The distribution system front-end has achieved full coverage of approximately 2,900 domestic and overseas agents, realizing a historic leap from “black screen” to “white screen”. We promoted the construction of a paperless reimbursement ecosystem for itineraries, successfully completing the replacement of paper with electronics for ticket itineraries across the entire domestic market, and opening up the “last mile” of digitalization for the entire chain from flight booking to reimbursement. The Group continued to consolidate the construction of digital infrastructure, expanded cross-industry data center value-added service business, and secured contracts with 9 customers during the year.

Safe Operation

The Group's infrastructure serves the sustainable development of its business, the objectives of which are to ensure safety in production, satisfy the needs of business development, and strive to realize the safety, efficiency and low consumption of infrastructure by making full use of existing technologies, and commercial and management instruments, so as to achieve the sustainable development of business. Through the establishment of a safe production accountability system, the Group continuously consolidated the safety foundation, comprehensively built a modern safety system with corresponding capabilities, and secured overall stable performance in safety throughout the year, which laid a solid foundation for the high-quality development of the enterprise and the safety of national civil aviation.

In 2025, the Group actively fulfilled its social responsibilities by continuously enhancing the stability of core systems, intelligent operations and maintenance, and security capabilities. We continued to expand data center resources, providing a solid foundation for the expansion of key businesses, the construction of disaster recovery capabilities, and innovative exploration. We advanced the construction of 5G virtual private networks, with 5G private networks put into operation at 160 airports. Furthermore, we strengthened the management and control of departure network lines and completed the transformation of the network architecture, significantly enhancing the security and safety level of airport networks.

Technological Innovation

In 2025, the Group spearheaded independent innovation in critical technologies, supported by major scientific projects and innovation platforms, steadily advancing in technological self-reliance and the deep integration of scientific innovation and industrial innovation. We focused on fostering strategic emerging industries, undertaking the "Central State-owned Enterprise AI+ Special Action", and developed and registered vertical large models such as "Qihang (啟航)" and "Gongxiang Ruixing (共翔睿行)". Deepening industrial synergy ecosystem development, we actively participated in several innovation consortiums of central state-owned enterprises, and were among the first to join the Transportation Foundation Model Innovation and Industrial Alliance, deepening cooperation through our status as council members. Dedicated to building green practice benchmarks, the Group introduced photovoltaic power generation and participated in green electricity trading, marking the Group's 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 CONDITIONS AND RESULTS OF OPERATIONS

For the ease of having brief understanding in the situation of the Company, we have selected some key indicators which can reflect the profitability, solvency and cash liquidity of the Company, to comprehensively reflect the financial position and operating results of the Company. The following discussion and analysis should be read in conjunction with the financial information contained in the audited financial statements of the Group (together with the notes thereto) prepared according to CASBE reproduced in this report. The following discussions on the summary of historical results do not represent a prediction as to the future business operations of the Group.

SUMMARY OF RESULTS OF OPERATIONS IN YEAR 2025

The revenue and operating results of the Group mainly came from the Group's operations in the PRC. For Year 2025, profit before taxation of the Group was approximately RMB2,684.7 million, representing an increase of approximately 12.1% over that for the year ended December 31, 2024 ("Year 2024"). Net profit attributable to shareholders of the parent company was approximately RMB2,341.6 million, representing an increase of approximately 12.9% over that in Year 2024.

The basic and diluted earnings per share of the Group in Year 2025 were RMB0.80.

TOTAL REVENUE

The total revenue of the Group in Year 2025 amounted to approximately RMB8,765.8 million, representing a decrease of approximately RMB57.2 million, or 0.6%, from approximately RMB8,823.0 million in Year 2024. The decrease in total revenue is reflected as follows:

- Aviation information platform services revenue (including "aviation information technology services" and "data service income", "logistics business income" within "other income" disclosed in previous years) accounted for 52.7% of the Group's total revenue in Year 2025, as compared to 51.3% for Year 2024. Aviation information platform service revenue increased by 2.0% from RMB4,526.9 million in Year 2024 to RMB4,616.0 million in Year 2025. The main source of the revenue was electronic travel distribution services provided by the Group to airlines. The increase of the revenue was mainly due to the year-on-year increase in the total processing volume of the system.
- Accounting, settlement and clearing services revenue (including "accounting, settlement and clearing services" and "payment business income", "factoring business income" within "other income" disclosed in previous years) accounted for 10.0% of the Group's total revenue in Year 2025, as compared to 9.2% for Year 2024. Accounting, settlement and clearing services revenue increased by 8.4% from RMB807.5 million in Year 2024 to RMB875.5 million in Year 2025. The main source of the revenue was accounting, settlement and clearing services provided by the Group to third parties including airlines, airports, agencies and government bodies, etc. The increase of the revenue was primarily due to the year-on-year increase in the volume of accounting, settlement and clearing business.
- Airport digitalization services revenue (disclosed as "system integration service revenue" in previous years) accounted for 17.1% of the Group's total revenue in Year 2025, as compared to 21.4% for Year 2024. Airport digitalization service revenue decreased by 20.8% from RMB1,887.7 million in Year 2024 to RMB1,495.4 million in Year 2025. The main sources of the revenue were airport digitalization services provided by the Group to airport-related clients. The decrease of the revenue was primarily due to the year-on-year decrease in the number and amount of projects that met the conditions for completion and acceptance.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

- Aviation Travel Intelligent Products and Services revenue (disclosed as “Income from technical support and products” in previous years) accounted for 12.7% of the Group’s total revenue in Year 2025, as compared to 10.6% for Year 2024. Aviation Travel Intelligent Products and Services revenue increased by 18.8% from RMB936.8 million in Year 2024 to RMB1,112.7 million in Year 2025. This revenue was derived from the intelligent products and 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 demand for IT services from customers and product expansion.
- Information network and digital infrastructure services revenue (including “data network service” and “income from leasing, operation and maintenance service” within “other income” disclosed in previous years) accounted for 7.5% of the Group’s total revenue in Year 2025, as compared to 7.5% for Year 2024. Information network and digital infrastructure service revenue decreased by 0.3% from RMB661.8 million in Year 2024 to RMB659.9 million in Year 2025. The main source of the revenue was the distribution information network service provided by the Group to agencies. The decrease of the revenue was mainly due to the recovery of some leased-out machine rooms for self-use.

TOTAL OPERATING EXPENSES

The total operating expenses of the Group in Year 2025 amounted to RMB6,333.1 million, representing a decrease of RMB120.4 million or 1.9%, as compared to RMB6,453.5 million for Year 2024. The changes in total operating expenses are reflected as follows:

- Staff costs increased by 4.9% mainly due to the year-on-year increase in staff remuneration and social security funds and housing provident funds of the Group;
- Depreciation and amortization decreased by 27.6% mainly due to the completion of depreciation and amortisation of certain fixed assets and intangible assets of the Group;
- Cost of hardware and software for airport digitalization (disclosed as “cost of integrated business sales” in previous years) decreased by 14.4% mainly due to the year-on-year decrease in the number and amount of projects that met the conditions for completion and acceptance, and the recognition of costs of hardware and software for airport digitalization in the same period as the airport digitalization service revenue;
- Technical support and maintenance fees increased by 5.5% mainly due to the year-on-year increase in business demand of the Group; and
- Departure and distribution support fees increased by 10.9% mainly due to the year-on-year increase in departure service support fees.

As a result of the above-mentioned changes in revenue and total operating costs, the operating profit of the Group increased by approximately RMB303.9 million, or approximately 12.7%, from approximately RMB2,402.5 million in Year 2024 to approximately RMB2,706.4 million in Year 2025.

CREDIT IMPAIRMENT LOSSES

The Group’s credit impairment loss was RMB-35.3 million in 2025, mainly due to the improvement in the collection of payments from certain customers and a certain decrease in the balance of provision for bad debts of trade receivables as compared to the end of Year 2024.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

CORPORATE INCOME TAX

Under the Corporate Income Tax Law of the People's Republic of China (the "**CIT Law**"), the statutory enterprise income tax rate for companies in the PRC is generally 25%. Pursuant to the relevant regulations, enterprises recognized as the "High and New Technology Enterprise" are entitled to a preferential corporate income tax rate of 15% under the Enterprise Income Tax Law. The Company was approved and certified by relevant authorities as a "High and New Technology Enterprise" since its establishment and has undergone reviews pursuant to the relevant regulatory requirements to maintain the status as a "High and New Technology Enterprise". Following the latest review completed in November 2023, the Company has been granted a renewal of its "High and New Technology Enterprise" status, and confirmed to be entitled to the preferential corporate income tax rate of 15% from Year 2023 to Year 2025 as a "High and New Technology Enterprise". Hence, the Company has calculated the expenses on corporate income tax for Year 2025 using the preferential tax rate of 15%.

In addition to the recognised identification of "High and New Technology Enterprise" and entitlement of a preferential income tax rate of 15%, if an enterprise is approved and certified by relevant regulatory authorities as the "Key Software Enterprise", it can further enjoy a preferential tax rate of 10%. According to the relevant regulations, 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 the relevant enterprises after the relevant period, and will be correspondingly reflected in the profit or loss account of the enterprise when it is refunded. The Company obtained the certificate for "Key Software Enterprise" from Year 2006 to Year 2024.

For details of corporate income tax of the Group for Year 2025, please see Note 4 to the consolidated financial statements.

NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY OF THE GROUP

Net profit attributable to shareholders of the parent company of the Group increased by approximately 12.9% from approximately RMB2,074.3 million in Year 2024 to approximately RMB2,341.6 million in Year 2025.

DISTRIBUTION OF PROFIT

According to the Company Law of the People's Republic of China (the "**Company Law**"), relevant laws and regulations, and the articles of association of the Company (the "**Articles**"), the profit after taxation of the Company during the year is distributed in the following order: (i) making up cumulative prior years' losses, if any; (ii) appropriation to the statutory surplus reserve fund; (iii) appropriation to the discretionary surplus reserve fund; and (iv) appropriation to the distribution of dividends.

Discretionary Surplus Reserve Fund

In Year 2025, the discretionary surplus reserve fund for Year 2024 approved to be appropriated at the annual general meeting held on June 12, 2025 and the statutory surplus reserve fund for Year 2025 that should be appropriated have been accounted for in the financial statements of the Group for Year 2025.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The proposed appropriation of 10% of profit after taxation in the financial statements of the Company prepared in accordance with CASBE with an amount of RMB192.1 million to the discretionary surplus reserve fund for Year 2025 is subject to shareholders' approval at the forthcoming annual general meeting. Therefore, the amount will be recorded in the Group's financial statements for the year ending December 31, 2026.

Proposed Payment of 2025 Annual Final Cash Dividends

On March 26, 2026, the Board of the Company proposed the distribution of a final cash dividend of RMB807.6 million, representing RMB0.276 per share (tax inclusive) for Year 2025 (the **"Final Dividend"**) as calculated based on the total number of shares in issue of the Company of 2,926,209,589 shares as at the date of this report.

The Company will submit the above Final Dividend distribution proposal to the forthcoming annual general meeting. If such proposal is approved at the annual general meeting, the Final Dividend for Year 2025 is expected to be paid on or before September 30, 2026. The date of the annual general meeting has not been fixed, and detailed arrangements in relation to the annual general meeting (including the date and book closure period) will be disclosed by the Company in due course. Further, upon conclusion of the annual general meeting, the Company will publish the report on the matters related to the Final Dividend, including, among other things, the amount of Final Dividend per share in Hong Kong dollar, book closure period, ex-date, dividend payment date and dividend tax, etc.

LIQUIDITY AND CAPITAL STRUCTURE

The following table summarizes the cash flows of the Group for the following years:

	For the year ended December 31	
	2025 RMB'million	2024 RMB'million
Net cash flow generated from operating activities	2,923.5	2,525.9
Net cash flow used in investing activities	-2,891.5	893.7
Net cash flow used in financing activities	-512.1	-196.8
Net increase in cash and cash equivalents	-489.8	3,231.2
Effect of foreign exchange rate changes on cash and cash equivalents	-9.7	8.4

The Group's working capital for Year 2025 mainly came from operating activities. Net cash inflow from operating activities amounted to RMB2,923.5 million.

As at December 31, 2025, the Group had a total of RMB1,759.9 million of borrowings, including short-term bank borrowings of RMB1,288.4 million and entrusted loans of RMB471.5 million, of which the fixed rate borrowings totaled RMB601.2 million. The Group did not use any financial instruments for hedging purpose.

As at December 31, 2025, cash and cash equivalents of the Group amounted to RMB10,017.9 million, of which 97.0%, 2.2% and 0.6% were denominated in RMB, USD and HKD, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**RESTRICTED BANK DEPOSITS**

As at December 31, 2025, restricted bank deposits of the Group in the amount of RMB1,569.6 million, of which RMB1,528.5 million were customer provisions (as at December 31, 2024: restricted bank deposits were in the amount of RMB1,490.4 million, of which RMB1,449.1 million were customer provisions) mainly refer to 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 its subsidiary, Beijing AsiaTech Payment Technology Co., Ltd..

TRUST DEPOSITS AND IRRECOVERABLE OVERDUE TIME DEPOSITS

As at December 31, 2025, the Group did not have any trust deposits and irrecoverable overdue time deposits. All cash deposits held by the Group are deposited with 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.

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 Year 2025, the Group had the following major financial assets:

(1) Trading Financial Assets

As at December 31, 2025, the Group held structural bank deposits issued by Bank of Beijing, China Everbright Bank, Ping An Bank and Industrial Bank of RMB1,100 million, RMB1,100 million, RMB600 million, and RMB600 million, respectively, with the total structural bank deposits of RMB3,400 million (floating yield). The annual interest rates of such structural bank deposits varied from 0.45% to 2.40%. Such structural bank deposits have maturity periods ranging from 90 to 185 days and are non-cancellable before maturity.

(2) Financial Assets at Amortized Cost

As at December 31, 2025, the Group held certificates of deposit for more than three months issued by China Construction Bank, Bank of Communications, Minsheng Bank and Ping An Bank of RMB500 million, RMB110 million, RMB60 million, and RMB20 million, respectively, with the total certificates of deposit for more than three months of RMB690 million. The annual interest rates of such bank deposits varied from 1.40% to 3.10%. Such bank certificates of deposits have maturity periods ranging from 365 to 1,097 days, among which, the certificates of deposit issued by China Construction Bank of RMB500 million are non-cancellable before maturity.

In addition, the Group held treasury bond reverse repurchase products of RMB1,000 million with an annualized interest rate of 2.10% and a maturity period of 7 days, which are non-cancellable before maturity.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

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

Name of investment	Business nature	Percentage of shareholding as at December 31, 2025 %	Percentage of shareholding as at December 31, 2024 %	Fair value as at December 31, 2025 RMB'000	Fair value as at December 31, 2024 RMB'000	Gain for the year ended December 31, 2025 RMB'000	Gain for the year ended December 31, 2024 RMB'000
Unlisted equity Measured at fair value - CMRH Life	Life insurance	13.26	13.26	1,052,314	1,004,312	48,002	173,839

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 the China 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 December 31, 2025, the Group invested a fair value of approximately RMB1,052.3 million in CMRH Life, accounting for 3.2% of the total assets of the Group.

- f. **The performance in Year 2025:**

According to the information provided by CMRH Life to the Company, it recorded a profit of approximately RMB485.6 million in Year 2025. The main reason is that CMRH Life has continuously transformed its product mix, steadily reduced liability costs, while its investment performance ranked among the top, effectively responding to interest rate fluctuations 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, CMRH Life has continuously achieved profit growth in 2025, and the steady and positive development trend has become increasingly solid. CMRH Life thoroughly implements the business strategy of "optimizing products, controlling costs, and creating value", persists in seeking progress while maintaining stability, advancing collaboratively, continuously deepening reforms, firmly committing to high-quality development, and innovating business models, striving to build a digital ecosystem platform for risk management, health management and wealth management, the preferred choice for central and state-owned enterprise employees and their families, and dedicated to becoming a boutique insurance service provider with innovative characteristics.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

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

China Mobile Equity Fund

As stated in the Company's announcement on April 16, 2020, the Company has entered into a limited partnership agreement (the "**Agreement**") with China Mobile Capital Holding Co., Ltd., other investors (together with the Company and China Mobile Capital Holding Co., Ltd., as limited partners) and China Mobile Equity Fund Management Co., Ltd. (as general partner) for the establishment of China Mobile Equity Fund (Hebei Xiong'an) Partnership (Limited Partnership) (the "**China Mobile Equity Fund**"), pursuant to which the Company agreed to contribute a total of RMB1 billion in cash to the China Mobile Equity Fund during the term of the Agreement. China Mobile Equity Fund primarily invests in companies related to the 5G and information and communications industry chain, ecosystem and enabling industries.

As at December 31, 2025, the Company has actually contributed (including the fund management fee) RMB861.7 million pursuant to the Agreement. Please refer to Note 14.1 to the consolidated financial statements for details.

CHARGE ON ASSETS

As at December 31, 2025, the Group had no charge on its assets.

CONTINGENT LIABILITIES

As at December 31, 2025, the Group had no material contingent liabilities.

GEARING RATIO

As at December 31, 2025, the gearing ratio of the Group was 25.8% (as at December 31, 2024: 22.9%), which was computed by dividing the total liabilities by the total assets of the Group as at December 31, 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 year ended December 31, 2025, the Group did not recognise any new data resources as intangible assets. RMB24.6 million will be reported under "Intangible assets – Including: Data resources" of the Group's financial statements as at December 31, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**MAJOR INVESTMENT OR FINANCING PLAN**

As at December 31, 2025, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures, or have any major investment or plan to acquire major capital assets. The Board estimates that the sources of funding of the Group in 2026 will be sufficient for the capital requirement of daily operations and the Group does not have any major financing plan.

The total capital expenditure of the Group amounted to RMB901.3 million for Year 2025 (2024: RMB545.6 million), mainly used in the Company's daily operation and existing system upgrade, maintenance, and others. As at December 31, 2025, the Group's capital expenditure commitment amounted to approximately RMB1,774.9 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 of December 31, 2025, the construction of Beijing Shunyi Park Phase II by the Company had incurred cumulative expenditures of approximately RMB18.2 million, primarily comprising survey and design fees, consulting fees, and other preliminary expenses.

EMPLOYEES

The Group has different rates of remuneration for different employees (including Executive Directors), according to 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 fringe 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 acquire skills in areas such as the aviation and travel industry, computer information technology and business administration, and provides training on the latest development in areas such as computer information technology, personal qualities, 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 with reference to 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 December 31, 2025, the total number of employees of the Group was 6,901.

Staff costs of the Group amounted to approximately RMB2,612.3 million for Year 2025 (2024: RMB2,489.7 million), representing approximately 41.2% of the total operating expenses of the Group for Year 2025, among which, the aggregate corporate annuity expenses of the Group amounted to approximately RMB100.2 million for Year 2025 (2024: RMB89.0 million).

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

REPURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended December 31, 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities (including sale of treasury shares within the meaning of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)). As at December 31, 2025, the Company did not hold any such treasury shares.

CORPORATE GOVERNANCE REPORT

A. CORPORATE GOVERNANCE PRACTICE

The Board has adopted the code provisions as stipulated in the Corporate Governance Code (the “**Code Provision(s)**”) in Part 2 of Appendix C1 to the Listing Rules and its latest amendments from time to time, as the Company’s code of corporate governance practices. In compliance with the principles set out in Part 2 of the Corporate Governance Code, the Board is committed to implementing effective corporate governance policies to ensure that all decisions be made in good faith and in accordance with the principles of transparency, fairness and integrity. With necessary and effective counterbalance, the Group perfects its corporate governance structure in a sustained way, so as to improve the quality of supervision and management and meet the expectations of its shareholders and the relevant parties.

As stated in the announcement of the Company dated December 18, 2025, Mr. Jiang Bo was elected as the Chairman of the Company on December 18, 2025. From the same date, Mr. Huang Rongshun ceased to serve as the Chairman but remained as the General Manager of the Company. Therefore, from December 18, 2025 to December 31, 2025, the Company no longer deviated from the Code Provision C.2.1 “the roles of chairman and chief executive should be separate and should not be performed by the same individual”.

The Company has deviated from the Code Provision B.2.2 “every director, including those appointed for a specific term, should 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. The preparation work for the reelection is still in progress. Before the completion of the re-election work, 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. The normal operation of the Company will not be affected by the postponement of re-election of the members of the Board.

Save as disclosed above, the Company fully complied with other Code Provisions in 2025.

As stated in the announcement of the Company dated April 13, 2026, since April 13, 2026, Mr. Huang Rongshun ceased to serve as an Executive Director of the Company, a member of the Strategy and Investment Committee (Legal Compliance Committee) due to retirement, and ceased to serve as the General Manager since March 20, 2026. Upon the appointment of the new General Manager, the Company will perform its disclosure obligations in a timely manner in accordance with the requirements of the Listing Rules.

CORPORATE GOVERNANCE REPORT

Corporate Culture

Vision :

To make air travel smarter

Mission:

The national team for the operation and services of critical information infrastructure

The key force of the digital ecological network for aviation and tourism

An important technological force for national strategies

Target:

To become a world-class integrated intelligent information service provider for aviation and tourism

Corporate Culture : “Three-Color” Culture

Rooted in heritage, with our red gene forging our soul

Driven by innovation, with our blue gene defining our foundation

Embedded in industry, with our green gene consolidating our fundamentals

During the Year 2025, the Board of Directors of the Group continued to strengthen and promote its corporate culture, and the Group also emphasized the full implementation of its corporate culture in its annual work. The relevant progress and achievements are set out in the sections headed “Statement of the Board” and “Business Review”, as well as in the “Environmental, Social and Governance Report for the Year 2025”.

CORPORATE GOVERNANCE REPORT

Anti-Corruption and Reporting Policy

The Company strictly abides by the relevant laws and regulations on preventing bribery, extortion, fraud and money laundering, such as the Criminal Law of the People's Republic of China, the Anti-money Laundering Law of the People's Republic of China, Regulations on the Integrity of Leaders of State-owned Enterprises* 《國有企業領導人員廉潔從業若干規定》, and the internal management systems such as the Measures Proposed by the Party committee of Travelsky Technology Limited Regarding Implementation of the Responsibility System for Construction of an Honest Party and a Clean Government* 《中國民航信息網絡股份有限公司黨委關於落實黨風廉政建設主體責任的措施》 and the Measures Proposed by the Party Committee of Travelsky Technology Limited Regarding the Implementation of the System for Construction of an Honest Party, a Clean Government and Anti-Corruption* 《中國民航信息網絡股份有限公司黨風廉政建設和反腐敗工作考核評價辦法》. A complete and transparent complaint and reporting management and handling process has been set up. Our postal address, reporting email and telephone number have been published to improve the supervision channel. A designated department shall deal with the problems and strictly follow the procedures of registration, submission for approval, transfer and investigation; The information reported shall be kept strictly confidential to ensure that the informant will not be subject to retaliation for reporting through legal channels. The Company signed the Bidding Agency Anti-Corruption Agreement with the bidding agency, forming the system of signing an anti-commercial bribery agreement with suppliers when entering agreements. Details of the adopted approach and measures are set out in the section "Compliance with the Law" under "Governance" in the "Environmental, Social and Governance Report 2025".

B. THE BOARD**Composition of the Board**

According to the provisions of the Articles, the Board of the Company comprises nine directors, with external directors accounting for more than half of the total number of directors and including at least three Independent Non-executive Directors. Please refer to the section headed "Biographies of Directors, Senior Management and Company Secretary" of the annual report for details of the list of directors and their profiles.

As at the issue date of this report, the composition of the seventh session of the Board of the Company is as follows: (i) Mr. Jiang Bo acts as the Executive Director of the seventh session of the Board of the Company; (ii) Mr. Sun Yuquan, Mr. Qu Guangji and Ms. He Xiaoqun act as the Non-executive Directors of the seventh session of the Board of the Company; (iii) Mr. Liu Zehong, Mr. Chan Wing Tak Kevin and Mr. Xu Hongzhi act as the Independent Non-executive Directors of the seventh session of the Board of the Company; (iv) Ms. Liang Shuang acts as the Employee Representative Director of the seventh session of the Board of the Company. Mr. Jiang Bo, an Executive Director, acts as the Chairman of the seventh session of the Board.

The Board established four special committees, including the Audit Committee, the Remuneration and Evaluation Committee (the "**Remuneration Committee**"), the Nomination Committee and the Strategy and Investment Committee (Legal Compliance Committee) (the "**Strategy Committee**"). For duties of each special committees, please refer to the section under E. COMMITTEES UNDER THE BOARD OF DIRECTORS.

CORPORATE GOVERNANCE REPORT

As stated in the announcements of the Company dated January 16, 2025 and January 23, 2025, Ms. Liang Shuang was elected by the employee representative meeting of the Company on January 16, 2025 as the Employee Representative Director of the Company, and such appointment became effective upon the approval of the amendments to the Articles at the extraordinary general meeting of the Company held on January 23, 2025.

As stated in the announcement of the Company dated June 12, 2025, at the annual general meeting of the Company held on the same day, Ms. He Xiaoqun was elected and appointed as a Non-executive Director of the seventh session of the Board and a member of the Strategy Committee, and, at the same time, the annual general meeting approved the resignation of Mr. Xi Sheng as a Non-executive Director and a member of the Strategy Committee of the Company.

As stated in the announcement of the Company dated December 18, 2025:

- (1) Mr. Jiang Bo was elected as an Executive Director of the seventh session of the Board at the extraordinary general meeting of the Company.
- (2) After the aforesaid extraordinary general meeting, the seventh session of the Board of the Company elected Mr. Jiang Bo as the Chairman of the Company, and as the Chief Member (Chairman) of the Nomination Committee and the Strategy Committee. Mr. Huang Rongshun no longer served as the Chairman of the Company, the Chief Member (Chairman) of the Nomination Committee and the Strategy Committee.

CORPORATE GOVERNANCE REPORT

For Year 2025, the list of directors of the Company, their positions in each special committee and the attendance of each of the directors for relevant meetings, such as Board meetings, are as follows.

Name	Position	Attendance rate for meetings (Note 1)					
		Board meetings	General meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings	Strategy Committee meetings
Jiang Bo	Chairman, Executive Director; Chief Member of Nomination Committee; Chief Member of Strategy Committee	100%	100%	—	—	—	—
Huang Rongshun	Executive Director, General Manager; Member of Strategy Committee	100%	100%	—	—	100%	100%
Sun Yuquan	Non-executive Director; Member of Strategy Committee	0% (Note 1)	0%	—	—	—	0% (Note 1)
Qu Guangji	Non-executive Director; Member of Strategy Committee	0% (Note 1)	0%	—	—	—	0% (Note 1)
He Xiaoqun	Non-executive Director; Member of Strategy Committee	0% (Note 1)	0%	—	—	—	0% (Note 1)
Liu Zehong	Independent Non-executive Director; Member of Audit Committee; Chief Member of Remuneration Committee; Member of Nomination Committee; Member of Strategy Committee	100%	100%	100%	100%	100%	100%

CORPORATE GOVERNANCE REPORT

Name	Position	Attendance rate for meetings (Note 1)					
		Board meetings	General meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings	Strategy Committee meetings
Chan Wing Tak Kevin	Independent Non-executive Director; Chief Member of Audit Committee; Member of Remuneration Committee	100%	100%	100%	100%	—	—
Xu Hongzhi	Independent Non-executive Director; Member of Audit Committee; Member of Remuneration Committee; Member of Nomination Committee	100%	100%	100%	100%	100%	—
Liang Shuang	Employee Representative Director	100%	100%	—	—	—	—
Xi Sheng	Non-executive Director; Member of Strategy Committee	25% (Note 2)	0%	—	—	—	100%

Notes:

- Attendance rate = Number of meetings attended/Number of meetings ought to be attended by such director in 2025, excluding meetings by way of circulation of written proposals.

When three directors (i.e. Sun Yuquan, Qu Guangji and He Xiaoqun) did not attend the meetings of the Board and the special committees in person, they all trusted other directors with the matter of voting and expressing opinions on their behalf through written authorizations.
- Director Xi Sheng resigned on June 12, 2025. Prior to his leaving office on June 12, 2025, four Board meetings were held, one general meeting was held, and one meeting of the Strategy Committee was held.
- During Year 2025, the Board held eight physical meetings and one annual general meeting and three extraordinary general meetings. The Audit Committee held three physical meetings. The Remuneration Committee held one physical meeting. The Nomination Committee held three physical meetings. The Strategy Committee held two physical meetings.

CORPORATE GOVERNANCE REPORT**Duties of the Board**

The Board is accountable to the general meeting in accordance with the Articles and performs the following duties: to be responsible for the convening of the general meeting of shareholders and to report on its work at general meetings; to implement resolutions of the general meeting of shareholders; to determine the Company's business plans and investment proposals; to prepare the Company's annual and half-year financial accounting report; to formulate the Company's profit distribution plans and loss recovery plans; to formulate proposals on the Company's credit and financial policies, the increase or reduction of the Company's registered capital and the issuance of debentures or securities of the Company; to draft plans for the Company's major acquisition or disposal proposals, repurchase of shares of the Company and formulate the plans for the merger, division or dissolution or change of corporate form of the Company; to determine the Company's internal management structure; to appoint or remove the Company's general manager and to appoint or remove deputy general managers, or chief accountant and general counsel of the Company according to the recommendations of the general manager and decide on their remuneration matters; to appoint or remove the secretary of the Board and/or company secretary and decide on their remuneration matters; to determine the establishment of the Company's branch offices; to formulate proposals for any amendment to the Articles; to set forth the Company's basic management system; to include the annual donation budget of the Company in the annual budget of the Company to manage external donations other than those required to be considered and approved at the general meeting of the Company pursuant to the listing rules of the place where the securities are listed and the requirements of the relevant regulatory authorities, and individual donation exceeding RMB30 million shall be filed in accordance with the requirements of the regulatory authorities (if necessary); to propose to the general meeting the appointment or replacement of accounting firm which provides audit services to the Company; to determine other important matters and administrative matters of the Company other than those which should be determined by resolutions at the general meeting of the Company as specified by the Company Law, the Listing Rules and the Articles; and other powers and duties assigned by laws, administrative regulations, departmental regulations, the listing rules of the place where the Company's securities are listed, the general meeting and the Articles.

The Board is responsible for leading and monitoring the Company, and collectively making decisions and supervising the operation of the Company. The Board is responsible for preparing accounts for each financial period to ensure that they reflect the Group's business and results during the period in a true and fair manner. The Board accepts responsibilities for the preparation of the Group's financial statements. As of the issue date of this report, the Board was not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

CORPORATE GOVERNANCE REPORT

Headed by General Manager, the management of the Company is responsible for: overseeing the management of the Company's daily production and operation, coordinating the implementation of the Board resolutions; approving the expenditure of recurrent project expenses and long-term investment periodic expenses in accordance with the annual operation plan, annual investment plan, annual financial budget or investment project proposal approved by the Board, and deciding on the annual asset purchase and disposal plan; formulating specific rules and regulations of the Company other than those relating to party building, employee representative meeting and trade union organization; appointing or dismissing personnel other than those to be appointed or dismissed by a decision of the Board in accordance with the relevant regulations; formulating the implementation of systems and standards relating to employees' remuneration, benefits and appraisal mechanisms; and exercising some of the shareholders' rights in the subsidiaries as stipulated in the Articles and making decisions in accordance with the laws and regulations, as well as any other powers and functions conferred by the Board. The management briefs the Board on the financial conditions and major operating performance of the Company every month, submits financial or other information to the Board for review and approval and provides full explanations and information to questions addressed by the Board.

CORPORATE GOVERNANCE REPORT**Independence of the Board**

The Company believes that the following main features or mechanisms of the Board and Governance Structure are sufficient to effectively ensure independent opinions of the Board.

At least one third of the members of the Board are Independent Non-executive Directors, and the members of the Board also include the senior management of the Company's main customers. In the process of the research and decision-making of the Board, the independent views relating to users, technology, finance, risk control, large enterprise management and other aspects are ensured. According to the Articles, the Corporate Governance Code, the Working Rules of the Board, the Authorization Management System of the Board and the Scheme for Ensuring the Performance of External Directors formulated and implemented by the Company in 2022, the Board and Directors can engage independent professional consultants to obtain independent opinions as required. Independent Non-executive Directors improve the effectiveness and decision-making of the Board by making objective judgments and putting constructive questions to the management.

Relationship between Members of the Board

In 2025, there were no relations among all members of the Board, including financial, business, family or other material/relevant relationships.

Independence of Independent Non-executive Directors

Independent Non-executive Directors shall be subject to the independence evaluation when they are appointed, and shall be subject to evaluation on an annual basis and in any other circumstances that require reconsideration. The Board includes three Independent Non-executive Directors, representing one third of the Board, which is in compliance with the requirements of Rules 3.10 and 3.10A of the Listing Rules. During the reporting period, the Company received from the three Independent Non-executive Directors, namely Mr. Liu Zehong, Mr. Chan Wing Tak Kevin and Mr. Xu Hongzhi, the annual confirmations of their independence submitted to the Company in accordance with Rule 3.13 of the Listing Rules. The Company considers that all of the above Independent Non-executive Directors are independent.

Independent Non-executive Directors shall receive remuneration for their positions in the Board and the Board Committees when appropriate. Information on the remuneration of Independent Non-executive Directors is contained in the related party transactions as set out in the Note 12.5 to the financial statements.

CORPORATE GOVERNANCE REPORT

Continuous Professional Development of the Board

In Year 2025, each director of the Company actively participated in the continuous professional development, developed and updated his/her knowledge and skills to ensure that he/she continues to make contributions to the Board with comprehensive information and in accordance with the needs of the Board. The Company provided each director with updates and amendments to the Listing Rules and other regulatory laws and regulations from time to time and arranged inaugural training for the newly appointed directors, including explanations of directors' responsibilities by the legal advisor and trainings relating to directors' continuing obligations under the Listing Rules and the rules and requirements of the Guidelines on Disclosure of Inside Information.

In Year 2025, the learning and training records submitted by each director are as follows:

Executive Director

Mr. Jiang Bo	A, B
Mr. Huang Rongshun (Resigned)	A, B

Non-executive Directors

Mr. Sun Yuquan	A, B
Mr. Qu Guangji	A, B
Ms. He Xiaoqun	A, B
Mr. Xi Sheng (Resigned)	A

Independent Non-executive Directors

Mr. Liu Zehong	A, B
Mr. Chan Wing Tak Kevin	A, B
Mr. Xu Hongzhi	A, B

Employee Representative Director

Ms. Liang Shuang	A, B
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Notes:

A: self-learning and reading updates and amendments to relevant laws and regulations including the Listing Rules

B: attending thematic training talks organized by professional bodies

Ms. Liang Shuang obtained the legal advice referred to in Rule 3.09D of the Listing Rules on January 20, 2025, and she has confirmed that she understands her obligations as a director of a listed issuer. Mr. Jiang Bo obtained the legal advice referred to in Rule 3.09D of the Listing Rules on December 18, 2025, and he has confirmed that he understands his obligations as a director of a listed issuer.

CORPORATE GOVERNANCE REPORT

C. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In Year 2025, the Chairman of the Company was served by Mr. Jiang Bo (assumed office on December 18, 2025) and Mr. Huang Rongshun (resigned on December 18, 2025), and the General Manager (Chief Executive Officer) was served by Mr. Huang Rongshun (resigned on March 20, 2026).

D. TERMS OF NON-EXECUTIVE DIRECTORS

Name	Position	Date of Appointment	Expiry Date/ Date of Resignation
Sun Yuquan	Non-executive Director	January 25, 2024	
Qu Guangji	Non-executive Director	January 25, 2024	
He Xiaoqun	Non-executive Director	June 12, 2025	
Liu Zehong	Independent Non-executive Director	September 1, 2022	
Chan Wing Tak Kevin	Independent Non-executive Director	September 1, 2022	
Xu Hongzhi	Independent Non-executive Director	September 1, 2022	
Liang Shuang	Employee Representative Director	January 23, 2025	
Xi Sheng	Non-executive Director	February 27, 2020	June 12, 2025

Code Provision B.2.2 requires that 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 terms of the seventh session of the Board expired on February 26, 2023. The preparatory work for the change of session is still underway, 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 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.

E. COMMITTEES UNDER THE BOARD OF DIRECTORS

Corporate Governance Functions

The Board is responsible for corporate governance functions, including developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the training and continuous professional development of directors and senior management, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors and reviewing the Company's compliance with the Code Provisions and disclosure in the "Corporate Governance Report".

The Board has adopted the Code Provisions as the Company's code of corporate governance and established four special committees dedicated in conducting specific investigation and research, making analysis and giving specific advice to the Board in respect of financial reporting, internal control and risk management, remuneration, nomination, strategic investment, etc. The Company, from time to time, reminds the directors and senior management to learn new rules and laws proactively and take effective management action to discharge their duties cogently. The Company has set up more than ten basic management systems relating to legal and regulatory compliance, including the "Measures for the Administration of Information Disclosure", the "Measures for the Administration of Connected Transactions and Disclosable Transactions", the "Authorization Management System of the Board", the "Company Legal Affairs Regulations" and the "Measures for the Administration of Compliance". The Board has adopted Appendix C3 to the Listing Rules as the Model Code regarding the securities transactions by the Company's directors and has also formulated the "Model Code for Securities Transactions by Employees" of the Company.

Audit Committee

Upon the approval of the amendments to the Articles made at the general meeting of the Company on September 25, 2025, the Audit and Risk Management Committee (Supervisory Committee) under the Board was renamed as the Audit Committee, and the Supervisory Committee was abolished with its statutory powers and duties to be performed by the Audit Committee. On December 18, 2025, the Board agreed to make corresponding amendments to the Working Rules of the Audit Committee.

The Audit Committee's role and functions are available at the Company's website. They mainly include: reviewing financial reports in respect of its completeness, accuracy and integrity; receiving reports from the management and auditors; making enquiries to and receiving reasonable explanations from the Company's financial department and auditors on the Company's financial position; reviewing issues in respect of the Group's financial reporting, risk management and internal control and hearing the Company's reports on fraudulent practices and the whistleblowing supervising the management to implement the resolutions of the Board, and reporting to the Board, as well as exercising the duties and powers of the Supervisory Committee as stipulated in the Company Law.

The Audit Committee is composed of three Independent Non-executive Directors. The term of each member of the committee is the same as his respective term as a director. Mr. Chan Wing Tak Kevin, an Independent Non-executive Director, serves as the Chief Member (Chairman) of the Audit Committee. Mr. Liu Zehong and Mr. Xu Hongzhi (both being Independent Non-executive Directors) serve as members of the Audit Committee.

CORPORATE GOVERNANCE REPORT

In Year 2025, the Audit Committee convened three meetings. The work of the Audit Committee during the year is mainly as follows:

1. received reports on financial work from the financial officers of the Company and reviewed the interim and annual consolidated financial statements, annual report and interim report of the Company, including accounting standards adopted by the Company, any changes in accounting policies and practices, major judgmental areas, significant audit adjustments, the going concern assumptions and any qualified opinion, and compliance with accounting standards and legal and regulatory requirements in relation to financial reporting; and had discussions with the management of the Company.
2. met with the auditors at least twice and met with the auditors at least annually in the absence of the Company's management; discussed with the auditors the nature and scope of the audit and reporting obligations; received the audit procedures and work plan for the annual audit and interim review from the auditors; listened to the management's explanation and response to any queries raised by the external auditors during auditing and gave specific opinions and recommendations.
3. conducted an interim review and an annual review on the Company's connected transactions, and gave opinions and recommendations regarding the relevant internal management and control mechanism.
4. reviewed the risk management and internal control system of the Company and reported the same to the Board, and gave opinions and recommendations in respect of the effectiveness of risk management and internal control system.
5. reviewed the independence of auditors and audit procedures, and proposed recommendations in relation to the appointment of auditor and remuneration budget to the Board.
6. listened to reports on the implementation of Board's resolutions and took corresponding measures as necessary.

Remuneration and Evaluation Committee

The role and functions of the Remuneration Committee are available at the Company's website. They mainly include: studying appraisal criteria for directors and senior management, carrying out appraisal and giving advice according to the Company's actual operation; studying and reviewing remuneration policies and proposals of directors and senior management, and evaluating their performance; advising the Board on the remuneration policies and frameworks of directors and senior management, and on the standard procedure of setting up such remuneration policy; monitoring the implementation of the Company's remuneration scheme and the responsibility of reviewing and/or approving the matters relating to the share schemes described in Chapter 17 of the Listing Rules.

CORPORATE GOVERNANCE REPORT

The Remuneration Committee is composed of three Independent Non-executive Directors. The term of each member of the committee is the same as his respective term as a director. Mr. Liu Zehong, an Independent Non-executive Director, serves as the Chief Member (Chairman) of the Remuneration Committee. Mr. Chan Wing Tak Kevin and Mr. Xu Hongzhi, both being Independent Non-executive Directors, serve as members of the Remuneration Committee.

In Year 2025, the Remuneration Committee held one meeting. All members attended the meeting and considered the renewal of liability insurance for directors and senior management.

Details of remuneration of the directors and senior management are set out in the related party transactions as disclosed in Note 12.5 to the financial statements.

Remuneration Policies for Directors

As stated in the circular of the Company dated January 10, 2020, the announcement of the Company dated February 27, 2020 and the 2020 interim report, pursuant to the approval obtained in the general meeting and the relevant rules and requirements issued by the domestic regulators as well as the obligations assumed by each of the directors, the current remuneration policies for directors approved by the seventh session of the Board of the Company are as follows:

- (1) the annual basic remuneration of each Independent Non-executive Director is RMB60,000 (inclusive of tax). If she or he serves as a chief member of a special committee, her or his annual basic remuneration shall be RMB70,000 (inclusive of tax). She or he may receive a meeting allowance of RMB3,000 or RMB2,000 (inclusive of tax) for each attendance at the Board meetings or special committee meetings;

If an Independent Non-executive Director is a retired person-in-charge of a central State-owned enterprise, the work subsidy standards for the Independent Non-executive Director shall be dynamically adjusted annually in accordance with the results of the annual performance appraisal; (i) the work subsidy shall be provided by the Company in advance according to the monthly standard of RMB5,000 (before tax) per person in the current year, that is, RMB60,000 (before tax) per person per year; (ii) after determining the results of the annual performance appraisal in the previous year, the Company shall settle the balance of work subsidy according to the following specific standards: if she or he receives a excellent appraisal, she or he is entitled to receive an annual work subsidy of RMB100,000 (before tax) per person; if she or he receives a good appraisal, she or he is entitled to receive an annual work subsidy of RMB80,000 (before tax) per person; if she or he receives an appraisal of basically competent or less, she or he is entitled to receive an annual work subsidy of RMB60,000 (before tax) per person; and (iii) if she or he has worked in the Company for less than one year, the work subsidy shall be calculated according to the actual number of months and she or he shall cease to receive any other monetary income from the Company;

CORPORATE GOVERNANCE REPORT

- (2) with reference to the relevant regulatory requirements, except for Independent Non-executive Directors, other directors (regardless of being Chairman of the Board or member or chief member of any special committee) are not entitled to such remuneration, bonus and meeting subsidies for the performance of obligations of directors;
- (3) the aforementioned adjustment procedures of remuneration standard: the adjustment proposal shall be formulated by the Remuneration Committee and submitted to the Board for consideration. Such adjustment proposal shall comply with relevant requirements of laws and regulations, requirements of regulatory authorities and shall be implemented by the Board according to the authorization and approval by the general meeting.

Insurance Arrangement in Respect of Directors and Senior Management

Since 2004, the Company has continuously arranged appropriate insurance cover in respect of potential legal actions against Directors and senior management. On July 1, 2025, the Company purchased liability insurance for Directors and senior management from PICC Property and Casualty Company Limited, the term of which will expire on June 30, 2026.

Nomination Committee

The role and functions of the Nomination Committee are available at the Company's website. They mainly include: reviewing the structure, size and composition of the Board; identifying candidates suitably qualified to become directors; assessing the independence of Independent Non-executive Directors; and making recommendations to the Board on the above matters and the appointment planning for directors.

The Nomination Committee is composed of the Chairman and two Independent Non-executive Directors. The term of each member of the committee is the same as his respective term as a director. Mr. Jiang Bo (Chairman of the Company) serves as the Chief Member (Chairman) of the Nomination Committee. Mr. Liu Zehong and Mr. Xu Hongzhi (both being Independent Non-executive Directors) serve as members of the Nomination Committee.

Nomination of Directors:

A shareholder's written notice about his suggestion to nominate a director and a written notice given by such candidate of his willingness to be nominated shall be sent to the Company, in accordance with the laws and regulations applicable to the Company and the relevant requirements of the Articles, after the date of despatch of the notice convening the general meeting for the election of directors and at least seven days prior to the date of such general meeting. The procedures for nominating a director by a shareholder are available at the Company's website.

CORPORATE GOVERNANCE REPORT

Any director candidate nominated by shareholders must fulfill the relevant requirements of the Company Law, the Listing Rules and the Articles concerning the qualifications of directors, and candidates for Independent Non-executive Directors must satisfy the independence requirement as set out in Chapter 3 of the Listing Rules. Meanwhile, when the Nomination Committee considers the suitability of the proposed candidates for directors, it will also take into account the requirements of the diversity policy of the Board of Directors (please refer to the section headed “Diversity” in the “Corporate Governance Report” for details).

Appointment and Removal of Directors:

The Board is responsible for submitting the candidates for Non-employee Representative Directors to the general meeting for election (excluding the Employee Representative Directors appointed and removed by the employee representative meeting of the Company). The general meeting shall elect Non-employee Representative Directors by way of ordinary resolution in accordance with the relevant requirements of the Articles. If the number of directors elected exceeds the number stipulated in the Articles, those who have got the highest votes shall be determined as the elected directors. A director serves for a term of not more than three years and is subject to re-election upon expiry. Any Non-employee Representative Director who has unexpired terms of office may be removed by way of ordinary resolution at the general meeting provided that the general meeting is conducted in accordance with the relevant laws and regulations.

In Year 2025, the Nomination Committee held three meetings and all members attended the meetings. During the reporting period, the Nomination Committee considered the director candidates, appointment of deputy general manager and other matters.

Strategy and Investment Committee (Legal Compliance Committee)

The role and functions of the Strategy Committee are set out on the Company’s website, which mainly include: to be responsible for studying and advising the Company on its long-term development strategies and significant investment decisions, including major issues which may affect the development of the Company such as significant investment and financing plans, significant capital operations and asset operations projects, as well as legal compliance issues. Its duties were disclosed on October 16, 2018.

CORPORATE GOVERNANCE REPORT

The Strategy Committee is composed of the Chairman, one Executive Director, three Non-executive Directors and one Independent Non-executive Director. The term of each member of the committee is the same as his respective term as a director. Mr. Jiang Bo (Chairman of the Company) serves as the Chief Member (Chairman) of the Strategy Committee. Mr. Huang Rongshun (Executive Director), Mr. Sun Yuquan, Mr. Qu Guangji and Ms. He Xiaoqun (Non-executive Directors) and Mr. Liu Zehong (Independent Non-executive Director) serve as members of the Strategy Committee. Ms. He Xiaoqun (Non-executive Director) serves as a member of the Strategy Committee, while Mr. Xi Sheng (former Non-executive Director) ceased to serve as a Non-executive Director and a member of the Strategy Committee with effect from June 12, 2025. Since April 13, 2026, Mr. Huang Rongshun, the former Executive Director, ceased to serve as an Executive Director due to retirement, and at the same time ceased to serve as a member of the Strategy Committee.

In Year 2025, the Strategy Committee held two meetings to discuss and listen to the Company's related working report on sustainable development and considered the Company's 2024 Environmental, Social and Governance Report and ESG system targets and other matters.

F. COMPANY SECRETARY

The Board of the Company appointed Mr. Yu Xiaochun as the Company Secretary. Mr. Yu completed 15 hours of relevant professional training in Year 2025.

G. DIRECTORS' SECURITIES TRADING

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix C3 of the Listing Rules as the code of conduct for the directors of the Company to conduct securities transactions of the Company. Having made specific enquiries to all directors, no directors failed to comply with the relevant requirements of the Model Code in Year 2025.

H. RISK MANAGEMENT AND INTERNAL MONITORING

In order to ensure the effectiveness of risk management and internal control system, factoring the actual needs, the Company has set up a well-established organizational structure for risk management and internal control. The adequate and effective risk management and internal control system can help ensure the realization of strategic objectives of the Company. The Board of the Company is responsible for the establishment, perfection and effective implementation of risk management and internal control system. The management is responsible for organizing and leading the daily operation of the risk management and internal control of the Company and reporting to the Board about the outcome on a regular basis. The Audit Committee established under the Board performs supervisory duties regarding the establishment and effective execution of risk management and internal control system, including checking the scope, adequacy and effectiveness of the Company's risk management and internal control system and advising on the improvement of such control.

CORPORATE GOVERNANCE REPORT

The Company attaches great importance to the construction of risk management and internal control system, and has established a risk management and internal control system and internal control procedures covering all business processes of the Company. The Company has established a sound corporate governance structure for sustainable development. The structure effectively governs and supervises ESG matters, organizes relevant work and prepares and discloses relevant reports as required. The Company reviews and confirms the risk management and internal control system of the previous year at least once a year and prepares a report and submits it to the Audit Committee of the Board, assisting the Board in evaluating the effectiveness of the Company's internal control management and risk management.

The Company evaluated its internal control within the Company at the end of 2025. The Board believes that during the reporting period, the Company established internal control for businesses and matters within the evaluation scope, and such internal control was implemented effectively, achieving the objectives of the internal control of the Company. There were no material and significant defects. The risk management and internal control system of the Company is effective and sufficient. The Company's risk management and internal control system aims to manage the risk of failure to achieve business objectives rather than eliminate such risk, and the system can provide only reasonable but not absolute protection against non-material misstatements or losses.

In terms of the accounting, internal audit, financial reporting functions, as well as resources, staff qualifications and experience, training and budget related to ESG performance and reporting, the Company essentially meets the requirements of current management and control, but needs to further supplement the reserve force and increase the budget to meet the requirements of enterprise management and control as its business scope continues to expand.

The Company analyzed the possibility of risk occurrence and related impact on the achievement of strategic objectives in risk assessment, which involves various risk areas such as strategy, finance, market, operation and law. The Company prioritized the risks according to their significance, identified major risks and formulated measures against risks and solutions based on further analysis of sources of risk and causes of risk. As a result of the measures taken, both the possibility of occurrence and extent of impact of risks were lowered, and there were no material risk claims that occurred during the reporting period in Year 2025. The Company judges and analyzes according to the changes of both the internal and external environment and its own business every year, and formulates effective measures against risks in order to enhance risk handling and prevent operational risks.

The Company clearly understands the importance of employees' risk awareness for risk management and internal control system. The Company popularized the latest regulatory situations and related knowledge of risk management and internal control to all the staff through special training, risk research, publicity documents and other ways within the Company during 2025, to enhance the risk awareness and compliance concept of staff comprehensively.

CORPORATE GOVERNANCE REPORT

Procedures for Risk Identification, Assessment and Management of the Company

The Company has established a dynamic risk management process according to its own business characteristics and conducted continuous iterative optimization. The Company organised each department of the Company at the end of 2025, to seek existing risks in each important operation activity and business process to update risk repository, supplement and amend the description and classification of original risk events based on changes of the internal and external environment faced by the Company. The Company summarised and determined the scope of this assessment in conjunction with the Company's key areas in operation management and risk preference of the management, and conducted risk assessment in the form of questionnaire by combining qualitative and quantitative methods, so as to form a comprehensive and systematic risk assessment conclusion in five types of risk areas, such as strategy, finance, market, operation and laws. Long-term and effective risk assessment mechanism and risk monitoring mechanism were established to assist the management to grasp risk management information in time and make scientific and reasonable decisions. As for material and major risks identified, the relevant responsible units organised by the Company thoroughly analyzed the source of risk and causes of risk, timely proposed risk management strategies and risk solutions, and performed ongoing control and monitoring to ensure the effective implementation of the measures adopted.

The Review Procedures of the Company's Risk Management and Internal Control System

The Company, led by the Internal Control Office, organizes the inspection and evaluation of the effectiveness of internal control, communicates with the inspected units to confirm the problems identified in the inspection, and proposes rectification recommendations. The Company persistently optimised and improved its risk management and internal control system by revising and refining its internal control manual every year, rationalising the current systems, hierarchies, operational workflow, control measures and related risks of the Company in accordance with the needs of the Company's business management and external regulatory requirements, revising and refining the internal control manual and risk database, and establishing a work mechanism that is constantly updated and optimised, thereby boosting the effectiveness of the internal control manual and risk database. The Company carries out inspection and evaluation of the effectiveness of the internal control system and risk assessment at least once a year, organises the relevant units to carry out rectification and response work in respect of the internal control deficiencies and significant risks identified, and provides continuous supervision and evaluation.

The Characteristics of the Risk Management and Internal Control System of the Company

The Company's risk management and internal control system is well-developed and organically combines risk management and internal control processes by making internal control an important means of preventing and eliminating risks, and adopting comprehensive risk management as the key criteria for validating and upgrading internal control. The Company tirelessly enhanced its "standardised, scientific, effective and highly efficient" risk management and internal control system "with the internal environment as the key foundation, risk assessment as a key part, control measures as an important means, communication of information as a crucial condition and internal supervision as a key assurance", so as to enhance its risk management and internal control capabilities and to ensure the long-term growth and sustainable development of the Company's business.

The procedures and internal controls for the handling and disclosure of inside information by the Company: the Company has formulated the "Measures for the Administration of Information Disclosure", which regulates the procedures of identification, confidentiality, pre-warning and disclosure of inside information, and such internal control measures are adequate.

The Company has a specialised department of internal audit, which is responsible for annual inspection, analysis and assessment for the effectiveness of risk management and internal control system of the Company. The department will adhere to the continuous optimization of risk management and internal control system, organizational structure and process, to ensure the effective realization of the Company's strategic objectives.

I. AUDITOR'S REMUNERATION AND MATTERS RELATING TO THE AUDITOR

The aggregate service fees paid by the Company to BDO China SHU LUN PAN Certified Public Accountants LLP (Certified Public Accountants in the PRC) for Year 2025 amounted to RMB2,124.9 thousand, comprising annual audit service fee of approximately RMB1,525.6 thousand and non-audit service fee of approximately RMB599.3 thousand for the review of interim financial statements, annual compliance review of continuing connected transactions and compliance review of preliminary results announcement, etc.

CORPORATE GOVERNANCE REPORT

J. DIVERSITY

Diversity Policy of the Board of Directors

In July 2022, the Nomination Committee of the Company revised the basic principles of the board diversity policy formulated by the Company in 2013. The revised board diversity policy is: there are no restrictions on the gender of directors, and board members are not of a single gender; adopting the age of 70 as the upper age limit, pursuant to which no candidate aged 70 or above shall be nominated in principle, and if a director will become 70 years old within his/her term of office, the Company may consider to shorten his/her term as appropriate in accordance with the opinion of domestic regulatory authorities; for the cultural and academic background or professional experience, a director shall, in general, possess an advanced level of education, and his/her expertise and experience shall be considered according to its relevance with the business of the Company or the management of listed companies, such as information technology, network technology, communication technology, finance, accounting, law, management and marketing, etc.

In 2022, a requirement that members of the Board are not of a single gender was added to the board diversity policy of the Company. The Company appointed a female Employee Representative Director on January 23, 2025, and appointed one female Non-executive Director on June 12, 2025. The ratio of male to female Directors in the Company is 7:2, in compliance with the requirement of Rule 13.92 of the Listing Rules. At the same time, in order to achieve long-term compliance with the policy of gender diversity, priority should be given to meeting the need for gender diversity under the same conditions, when considering potential Director candidates.

The Group (the Company and its subsidiaries) had 6,901 employees (including senior managerial personnel) as at December 31, 2025. The ratio of male to female employees is about 6:4, which is relatively balanced as compared with the gender ratios of the regions and industries where the Group operates. The Group takes into account various factors (e.g. the gender ratios of the regions and industries where the employees of the Group are located and the regional gender culture) to ensure that the gender ratios of the Group's employees engaged in various specific jobs in different regions basically be in keeping with the average ratios of related regions and industries.

K. SHAREHOLDERS' RIGHTS

Procedures for Convening a General Meeting

Any shareholder(s) individually or collectively holding 10% or more of the Company's total issued share capital shall be entitled to request the Board in writing to convene an extraordinary general meeting. Upon receiving such request, the Board shall issue a notice of extraordinary general meeting within 30 days and hold an extraordinary general meeting within two months from the receipt of such request. Otherwise, the shareholder(s) proposing to convene an extraordinary general meeting in writing may himself (themselves) convene an extraordinary general meeting within four months from the receipt of such written request by the Board.

Procedures for Putting Forward a Proposal by Shareholders

Any shareholder intending to put forward a temporary proposal at the general meeting of the Company shall provide shareholding document to prove that he/she is interested in 1% or more of the Company's total issued share capital and shall put forward and deliver his/her/its proposal in written form to the Company (addressed to the Chairman or the Company Secretary of the Company) 10 days before the date of convening the general meeting. The Board will issue supplementary notice of the general meeting within two days from the receipt of such proposal and announce the content of the proposal. If the issuance of supplementary notice fails to meet the relevant requirements of the listing rules of the stock exchange where the Company's shares are listed in respect of issuance of supplementary notice, the Company shall postpone the general meeting in an appropriate way.

Procedures for Shareholders to Make Enquiries

Shareholders must prove to the Board that they actually own the equity interests in accordance with the Articles of the Company (e.g. by providing shareholding documents etc.). The Company suggests shareholders submit their enquiry requests in writing (including by email, facsimile and mail) and provide sufficient contact details so that the Company can handle and take down their enquiries in a proper and timely manner.

Contact Information

Shareholders and investors may contact the Company via the following telephone, facsimile, email or postal address:

Telephone: (8610) 5765 0696

Facsimile: (8610) 5765 0695

Email: ir@travelsky.com.cn

Postal address: TravelSky High-tech Industrial Park, Houshayu Town, Shunyi District, Beijing, PRC (中國北京順義區後沙峪鎮中國航信高科技產業園區)

CORPORATE GOVERNANCE REPORT

L. INVESTOR RELATIONS

Amendments to Articles

The Company amended the Articles upon the approval at the extraordinary general meeting of the Company held on January 23, 2025, mainly including the amendments to the authorities of the Chairman and the General Manager, as well as the establishment of a seat for employee representative director. Details of the amendments are set out in the appendix to the circular of the Company dated January 3, 2025.

The Company amended the Articles upon the approval at the extraordinary general meeting of the Company held on September 25, 2025, mainly including the abolition of the Supervisory Committee and supervisors, and the change of name of the Audit and Risk Management Committee (Supervisory Committee) under the Board to the Audit Committee, which shall exercise the functions and powers of the Supervisory Committee pursuant to the Company Law. Details of the amendments are set out in the appendix to the circular of the Company dated September 5, 2025.

Communication with Shareholders and Investors

The Company has formulated relevant systems to guide and enhance the communication between the Company and its shareholders and investors. The Shareholders' Communication Policy of the Company is founded on information disclosure in accordance with laws and regulations and aims to facilitate communication with investors through multiple channels and at multiple levels to promote investors' understanding and recognition of the Company. The Company reviews the implementation and effectiveness of the above policy on an annual basis and continues to take measures to constantly improve the timeliness and effectiveness of communication with shareholders.

During the reporting period, the Company actively implemented the Shareholders' Communication Policy, earnestly listened to the opinions and suggestions of investors on the Company's strategic development, operation and management, and maintained timely and effective communication with shareholders. In terms of information disclosure, the Company, in strict accordance with the time limit, content and forms required by the Hong Kong Listing Rules, published compliance information such as annual reports, interim reports, ESG reports, results announcements, connected transaction announcements, circulars for shareholders, etc. through the websites of the Company and the Stock Exchange, which included annual and interim profit warning announcements disclosed in a timely manner in accordance with the regulatory requirements for inside information. In addition, the Company also voluntarily disclosed monthly operating information through the Company's website to allow investors and shareholders to understand the major business performance of the Company in a timely manner. In terms of investor communication, the chairman, chairmen of the special committees, Independent Non-executive Directors, general manager, chief accountant and auditors of the Company all attended the annual general meeting or extraordinary general meeting of the Company to respond to shareholders' inquiries on-site. All resolutions were conducted by way of poll,

CORPORATE GOVERNANCE REPORT

and the results of the poll (including the number of votes in favour of and against each resolution) were announced on the same day. In addition, the chairman, general manager, chief accountant, secretary to the Board and investor relations team of the Company communicated with over 810 domestic and overseas shareholders and investors through results announcement conferences, roadshows, visits, participation in investment summits, one-on-one meetings with shareholders and special conference with analysts. The investor relations team responded to nearly 1,300 telephone and email inquiries, and the Company's information was pushed to more than 100,000 persons through digital channels. The Company also listened to feedback through investor questionnaires. To ensure smooth communication channels, the Company has investor hotlines and email addresses in Beijing and Hong Kong, details of which are set out in "contact details for investors" as disclosed in the section headed "Corporate Information" in this report. Investors and the public may contact the Company to put forward opinions or suggestions, or visit the investor website (www.travelskyir.com) to learn about organizational structure, business overview, major operating data, announcements and circulars of the Company, and other detailed information. The website is presented in three language versions, namely English, Traditional Chinese and Simplified Chinese, and recorded more than 140,000 visits throughout the year.

During the reporting period, the Company reviewed the implementation and effectiveness of the above Shareholders' and investors' communication policy. In view of the above facts, it considers that such policy and measures can ensure effective communication between the Company and its shareholders and investors. The Company was awarded the annual "All-Asia Executive Team" by Institutional Investor, and was awarded the "HKIRA Investor Relations Awards" by the Hong Kong Investor Relations Association for the seventh consecutive year.

M. SUPERVISORY COMMITTEE

Upon approval at the extraordinary general meeting held on September 25, 2025, the Company no longer has a Supervisory Committee or Supervisors. The Audit Committee under the Board exercises the powers and functions of the Supervisory Committee as stipulated in the Company Law. Correspondingly, the Working Rules of the Supervisory Committee have been abolished.

REPORT OF DIRECTORS

The Board of the Company is pleased to present its report together with the audited financial statements of the Group for Year 2025.

GROUP ACTIVITIES

The Group is an information technology service enterprise in the China's aviation and travel industry. The core businesses of the Group include aviation information technology service, accounting, settlement and clearing service for aviation industry, airport information technology service, distribution information technology service, etc.

The analysis of the Group's financial performance is set out under the section headed "Management Discussion and Analysis of Financial Conditions and Results of Operations". The Group presented revenue disaggregated by the timing of revenue recognition and primary geographical markets, please refer to Notes 5.43 and 16.2 to the financial statements for details.

BUSINESS REVIEW

A review of the business of the Group during the year and discussions on its future business development are set out in the sections headed "Statement of the Board" and "Business Review". Analysis of the Group's financial and operational conditions using financial key performance indicators is set out in the sections headed "Management Discussion and Analysis of Financial Conditions and Results of Operations" and "Financial Highlights". Compliance with relevant laws and regulations which have a significant impact on the Group is set out in the section headed "Corporate Governance Report" and this section. The Company's environmental policies and performance are set out in the section headed "Business Review".

SHARE CAPITAL STRUCTURE

The issued share capital of the Company as at December 31, 2025 amounted to 2,926,209,589 shares, with a par value of RMB1.00 each. As at December 31, 2025, the share capital structure of the Company is as follows:

Class of shares	Number of shares	Percentage in 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

REPORT OF DIRECTORS

PRE-EMPTIVE RIGHTS

Under the Articles of the Company and the laws of the PRC, there are no provisions about preemptive rights that require the Company to offer new shares to its existing Shareholders in proportion to their shareholdings.

PUBLIC FLOAT

The Company has maintained the prescribed public float under the Listing Rules, based on the corporate information available to the Company and within the knowledge of its directors as at the latest practicable date prior to the issue of this report.

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

As at December 31, 2025, the interests and short positions of any persons (other than directors or chief executive 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 shares (Note 2)	Capacity	Approximate percentage in respective class of share capital (Note 3)	Approximate percentage in 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%

REPORT OF DIRECTORS

Name of shareholder	Class and number of shares (Note 2)	Capacity	Approximate percentage in respective class of share capital (Note 3)	Approximate percentage in total share capital (Note 3)
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%

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 December 31, 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 December 31, 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 December 31, 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.

REPORT OF DIRECTORS

- (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) 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.

Save as the above, to the best knowledge of the Company's directors, as at December 31, 2025, no persons (other than directors and 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.

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

As at December 31, 2025, none of the directors or chief executive 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 maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange by the directors or chief executive pursuant to the Model Code as set out in Appendix C3 to the Listing Rules.

None of the directors and chief executive 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 year ended December 31, 2025.

As at December 31, 2025, each of China TravelSky Holding Company Limited, China National Aviation Holding Corporation Limited, China Southern Air Holding Co., Ltd. and China Eastern Air Holding Co., Ltd. had interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. As at December 31, 2025:

REPORT OF DIRECTORS

- (a) Mr. Jiang Bo (an Executive Director) was the chairman of China TravelSky Holding Company Limited;
- (b) Mr. Huang Rongshun (an Executive Director) was a director and general manager of China TravelSky Holding Company Limited;
- (c) Mr. Sun Yuquan (a Non-executive Director) was the chief accountant of China National Aviation Holding Corporation Limited;
- (d) Mr. Qu Guangji (a Non-executive Director) was a deputy general manager of China Southern Air Holding Co., Ltd.;
- (e) Ms. He Xiaoqun (a Non-executive Director) was a deputy general manager of China Eastern Air Holding Co., Ltd.; and
- (f) Ms. Liang Shuang (an Employee Representative Director) was the full-time vice chairperson of the labor union of China TravelSky Holding Company Limited.

As at December 31, 2025, none of the directors and any of their respective associates had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

CHANGES OF DIRECTORS

Details in relation to the changes of directors during the year are set out in the section headed "Corporate Governance Report".

CHANGES OF THE INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Since the publication of 2025 Interim Report of the Company up to the latest practicable date prior to the publication of this report, the changes in the information of Directors and chief executive officer of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are as follows:

Mr. Huang Rongshun, an Executive Director of the seventh session of the Board, ceased to be the chairman of the Company in December 2025, ceased to serve as the General Manager of the Company in March 2026, and ceased to serve as an Executive Director of the Company, a member of the Strategy and Investment Committee (Legal Compliance Committee) in April 2026.

REPORT OF DIRECTORS

Mr. Qu Guangji, a Non-executive Director of the seventh session of the Board, ceased to be the deputy general manager and Party Member of China Southern Air Holding Limited Company, and the deputy general manager of China Southern Airlines Co., Ltd.* (中國南方航空股份有限公司) in January 2026; and has served as a director, general manager and Deputy Secretary of the Party Group of China National Aviation Holding Corporation Limited* (中國航空集團有限公司) since January 2026.

Mr. Chan Wing Tak Kevin, an Independent Non-executive Director of the seventh session of the Board, has served as a member of the Financial Education Coordination Committee upon appointment by the SFC of Hong Kong since September 2025.

Save as the information disclosed above, "Corporate Governance Report" section and the biographies of Directors in this report, there is no other change in the information of the Directors required to be disclosed.

SERVICE CONTRACTS OF DIRECTORS

All members of the seventh session of the Board of the Company have respectively entered into service contracts with the Company. The seventh session of the Board will be held for a term of three years commencing from February 27, 2020. As no general election has yet been held, they are required to continue to perform their duties in accordance with the relevant provisions of the Articles of Association and the relevant terms of their respective Service Contracts until a new term of office is elected. For the year ended December 31, 2025, none of the directors had entered or proposed to enter into a service contract with any member of the Group which shall not be terminated upon expiration or is not terminable by the employer within one year without payment of compensation (other than statutory compensation).

REPORT OF DIRECTORS**PERMITTED INDEMNITY PROVISION**

As of December 31, 2025, all directors of the Company were covered under the liability insurance purchased by the Company for its directors.

REMUNERATION OF DIRECTORS AND CHIEF EXECUTIVE

Details of the remuneration of directors and senior management are set out in Note 12.5 to the financial statements.

TRANSACTIONS, ARRANGEMENTS, OR CONTRACTUAL INTERESTS OF DIRECTORS OR THEIR RELATED ENTITIES

Certain members of the seventh session of the Board of the Company are also the members of the management of various PRC commercial airlines which are the shareholders of the Company. The contracts or transactions entered into between the Company or any of its subsidiaries and such airline shareholders have been referred to in the section headed “Connected Transactions” in this Report of Directors. Save as disclosed above, none of the directors or their connected entities was materially interested, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party during, or at the end of Year 2025.

DIVIDEND POLICY AND ANNUAL DIVIDEND

Upon approval at the annual general meeting on June 12, 2025, the Company’s dividend policy has been adjusted as follows: the Board shall propose to the general meeting the distribution of dividends (including cash dividend distribution plan) on an annual basis, taking into account factors such as the current operations of the Company, the capital requirement for future development as well as the sustainable development of the Company, etc. Generally, the Company distributes annual final dividends in cash once every year, the total amount of such cash dividend represents approximately 35% to 45% of the income statement of the parent company for the year.

The Board proposed the distribution of a final cash dividend of RMB0.276 per share (tax inclusive) for Year 2025. For details, please refer to the section headed “Distribution of Profit” in “Management Discussion and Analysis of Financial Conditions and Results of Operations”.

RESERVES AVAILABLE FOR DISTRIBUTION TO SHAREHOLDERS

After the appropriation of the statutory surplus reserve fund and the discretionary surplus reserve fund from the Company, the reserves available for distribution to shareholders as at December 31, 2025 amounted to RMB9,932.1 million (as at December 31, 2024: RMB9,094.8 million). Details of changes are set out in the statement of changes in equity in this report.

TAX RELIEF AND EXEMPTION OF STOCKHOLDERS

The Company is not aware of any tax relief and exemption available by reason of holding of the Company’s securities.

REPORT OF DIRECTORS

MATERIAL LITIGATION

The Group was not involved in any material litigations or disputes in Year 2025.

DONATION

In 2025, the Group donated RMB15.033 million (2024: RMB12.068 million).

EMPLOYEES' RETIREMENT SCHEME

Details of the employees' retirement scheme of the Group are set out in the section headed "Employees" in "Management Discussion and Analysis of Financial Conditions and Results of Operations" and Note 16.1 to the financial statements.

SUBSIDIARIES AND ASSOCIATED COMPANIES

Particulars of the Company's subsidiaries and associated companies as at December 31, 2025 are set out in Note 8 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

The Group recorded gains from disposal of assets of RMB2.742 million in Year 2025. Movements in property, plant and equipment are summarized in Note 5.54 to the financial statements.

MAJOR SUPPLIERS AND CUSTOMERS

The Group deeply acknowledges the importance of maintaining good relations with its suppliers and customers to achieve its long-term goals and maintain its leading position in the market.

Shenyang Civil Aviation Northeast Cares Company Limited was the largest supplier of the Group for Year 2025 and the total fees paid by the Group to such company in Year 2025 accounted for 5.6% of the Group's total operating expenses (after deducting depreciation and amortization expenses). During Year 2025, the total fees paid to the five largest suppliers of the Group accounted for 10.3% of the Group's total operating expenses (after deducting depreciation and amortization expenses).

The Group strictly complies with the "Bidding Law of the People's Republic of China" and the "Regulation on the Implementation of the Bidding Law of the People's Republic of China" and other laws and regulations, and the Group has been exploring and improving its supplier management system. The Group formulated its "Supplier Management Measures", followed the "market access mechanism" for suppliers and selected excellent suppliers against a set of criteria based on price, quality, technology, integrity and etc., and prevented the supplier's information leakage, damage, loss through reasonable and effective information security technology and management process. The Group will continue to improve the ability to identify and monitor environmental and social risks of suppliers, hold activities for suppliers' communication regularly, listen to and absorb the opinions and advice from suppliers, and work with suppliers to improve their sustainable development performance.

REPORT OF DIRECTORS

Sales to the largest customer of the Group, Air China Limited, accounted for 14.2% of the Group's revenue from its sales of goods or rendering of services for Year 2025. During the same period, the total sales to the Group's five largest customers accounted for 42.5% of the Group's revenue from its sales of goods or rendering of services. Three of these top five customers were Air China Limited, China Southern Airlines Co., Ltd. and China Eastern Airlines Co., Ltd. Their respective controlling shareholders, namely, China National Aviation Holding Corporation Limited, China Southern Air Holding Co., Ltd. and China Eastern Air Holding Co., Ltd., each held more than 5% and together held an aggregate of approximately 26.41% of the number of the issued shares of the Company as at December 31, 2025. Since listing, the Company has been providing services to the above major customers continuously, which are commercial airlines in China. The revenue derived from the above major customers is set out in Note 12.5 to the financial statements.

The Group adheres to the customer service policy of "customer-oriented" and strives to provide products and services that meet customer needs as a long-term partner of customers in a sustained way. In the operation and management, the Group always adheres to the "provision of excellent information services" as its core philosophy, and quickly responds to customer needs. Through the full-process service of "customer-oriented", the Group has comprehensively improved customer satisfaction and loyalty.

Save as disclosed in this report and in Note 12.5 to the financial statements, none of the directors and their close associates nor any shareholder (which to the knowledge of the directors held more than 5% of the number of the issued shares of the Company) had any interests in any of the aforementioned suppliers and customers.

CONNECTED TRANSACTIONS

The Company has formulated connected transaction management measures, including the arrangements in relation to the identification, management, control, approval and disclosures of connected transactions and the relevant internal control measures. The directors confirm that the following transactions are connected transactions or continuing connected transactions of the Company (some of them are also related party transactions as set out in Note 12.5 to the financial statements) which are the connected transactions or continuing connected transactions as defined under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. Details of major related party transactions entered into by the Group during the Reporting Period are set out in the Note 12.5 to the financial statements of this annual report. Except the transactions described in the "Connected Transactions" section of this report of the Board of Directors (such transactions are in conformity with the disclosure requirements of Chapter 14A of the Listing Rules), none of these related party transactions constitute connected transactions (as defined in Listing Rules) that need to be disclosed.

REPORT OF DIRECTORS

CONTINUING CONNECTED TRANSACTIONS

The auditor has issued his unqualified letter containing his/her findings and conclusions in respect of the continuing connected transactions disclosed by the Group as set out in the following (a) to (f) in accordance with Rule 14A.56 of the Listing Rules.

In the opinion of the Independent Non-executive Directors of the Company, the continuing connected transactions of the Company in Year 2025 (the following (a) to (f)): (i) were entered into in the usual and ordinary course of business of the Group; (ii) were conducted on normal commercial terms or better; and (iii) were conducted on the terms of the relevant agreements governing those transactions, which are fair and reasonable and in the interests of the shareholders of the Group as a whole.

During the Year 2025, the Group continued to carry out the following transactions, which constituted continuing connected transactions as defined in the Listing Rules, and are required to be disclosed in accordance with Chapter 14A of the Listing Rules. The Company confirms that the execution and enforcement of specific agreements under the continuing connected transactions during the Reporting Period have followed the pricing principles of such continuing connected transactions.

(a) The Data Centre Racks Tenancy Contract entered into between the Company and CTCD

China TravelSky Holding Company Limited is the promoter and a substantial shareholder of the Company. It holds approximately 29.55% of the issued share capital of the Company. China TravelSky Cloud Data Company Limited* (中航信雲數據有限公司) ("**CTCD**") is a wholly-owned subsidiary of China TravelSky Holding Company Limited. Thus, CTCD is a connected person of the Company.

As stated in the announcements of the Company dated September 1 and December 28, 2022, the Company and CTCD entered into the Centre Tenancy Contract on a Disaster Recovery Project of TravelSky ("**Old Data Centre Tenancy Contract**") on September 1, 2022, pursuant to which CTCD agreed to lease racks in the server room 2FM3 of the Jiaxing Data Centre to the Company for a term of three years from September 1, 2022 to August 31, 2025. On December 28, 2022, the Company entered into the Supplemental Agreement to the Old Data Centre Tenancy Contract with CTCD, pursuant to which CTCD agreed to lease additional racks in the server rooms 2FM1 and 2FM4 of the Jiaxing Data Centre to the Company for a period from January 1, 2023 to August 31, 2025.

As stated in the announcement of the Company dated April 29, 2025, the Company and CTCD entered into the New Data Centre Racks Tenancy Contract ("**New Data Centre Tenancy Contract**"), pursuant to which CTCD agreed to lease the racks in the server rooms 2FM1, 2FM3, 2FM4, 3FM3 and 4FM3 of Jiaxing Data Centre to the Company for a term of three years commencing from May 1, 2025 and ending on April 30, 2028. Upon the New Data Centre Racks Tenancy Contract becoming effective, the Old Data Centre Tenancy Contract and its Supplemental Agreement were terminated early on April 30, 2025.

REPORT OF DIRECTORS

As stated in the announcement of the Company dated August 29, 2025, the Company and CTCD entered into the Supplemental Agreement to the New Data Centre Tenancy Contract, pursuant to which CTCD agreed to lease additional racks in the server room 4FM1 of Jiaxing Data Centre to the Company for a term from September 1, 2025 to April 30, 2028.

Thus, pursuant to the Listing Rules, the proposed transactions under the data centre racks tenancy contracts (including the New Data Centre Tenancy Contract and its Supplemental Agreement) constitute the continuing connected transactions of the Company.

Date: the New Data Centre Tenancy Contract was entered into on April 29, 2025

the Supplemental Agreement to the New Data Centre Tenancy Contract was entered into on August 29, 2025

Term: the New Data Centre Tenancy Contract has a term of three years from May 1, 2025 to April 30, 2028, and its Supplemental Agreement has a term from September 1, 2025 to April 30, 2028.

The Company has the right to renew the term by negotiating with CTCD one month prior to expiry of the term.

Parties: CTCD, as the lessor; and the Company, as the tenant.

Rack rental fees: (1) The categories and prices (tax inclusive, and the tax rate is 6%) of the specific racks for renting in the server rooms 2FM1, 2FM3, 3FM3 and 4FM3 are as follows:

(i) 3KW racks, RMB3,975 per rack per month;

(ii) 4KW racks, RMB4,700 per rack per month;

(iii) 5KW racks, RMB5,425 per rack per month;

(iv) 6KW racks, RMB7,050 per rack per month;

REPORT OF DIRECTORS

- (2) The categories and prices (tax inclusive, and the tax rate is 6%) of the specific racks for renting in the server room 2FM4 are as follows:
- (i) 3KW racks, RMB3,675 per rack per month;
 - (ii) 4KW racks, RMB4,400 per rack per month;
 - (iii) 5KW racks, RMB5,125 per rack per month;
 - (iv) 8KW racks, RMB9,100 per rack per month.
- (3) The categories and prices (tax inclusive, and the tax rate is 6%) of the specific racks for renting in the server room 4FM1 are as follows:
- (i) 3KW racks, RMB3,975 per rack per month;
 - (ii) 4KW racks, RMB4,700 per rack per month;
 - (iii) 5KW racks, RMB5,425 per rack per month;
 - (iv) 6KW racks, RMB7,050 per rack per month;
 - (v) 8KW racks, RMB9,400 per rack per month;
 - (vi) 10KW racks, RMB11,750 per rack per month.

Since the commencement date of the lease term, CTCD will charge the rack rental fees according to the number of racks used by the Company and the actual number of days of use of racks on a monthly basis.

Rental fees for each batch of racks for the first month = (monthly fees / number of days during the month) * actual number of days to use the racks, which shall be rounded up to the nearest whole number. The fees will be charged normally on a monthly basis from the next month.

REPORT OF DIRECTORS

From the commencement date of the lease period, the Company will be charged a discounted unit price of RMB2,256 (tax inclusive, and the tax rate is 6%) per rack per month for the reserved racks in the server room module 2FM1, 2FM3, 3FM3, 4FM1 and 4FM3 that have not been activated for use by the Company; a discounted unit price of RMB1,956 (tax inclusive, and the tax rate is 6%) per rack per month for the reserved racks in the server room module 2FM4 that have not been activated for use by the Company; and a discounted unit price of RMB2,256 (tax inclusive, and the tax rate is 6%) per rack per month for the reserved racks in the server room 4FM1 that have not been activated for use by the Company.

Additional charges: The total power rating of the electrical equipment on a single rack does not in principle exceed the power limit of that rack; if exceed, additional fees for the excess thereof shall be charged at a price of RMB219/A/month (tax inclusive, and tax rate is 6%).

Payment terms: The rack rental fees shall be settled on a basis of calendar quarter. The Company shall pay the fees of last quarter to CTCD within 30 calendar days upon the receipt of invoice specifically used for value-added tax from CTCD. Any additional charges incurred shall be settled together.

If, without valid reasons, the Company fails to pay the rack rental fees and additional charges (if any) within one week of the due date, the Company shall pay CTCD a penalty of 0.01% of the amount payable for each day of delay.

From January 1, 2025 to December 31, 2025, the total value of the right-of-use assets for rack rental of this continuing connected transaction was approximately RMB47,237 thousand (the annual cap was RMB70,000 thousand), and the amount of additional charges was approximately RMB0 thousand (the annual cap was RMB1,062 thousand).

Notes:

- (1) Pursuant to CASBE, the racks leased under the New Data Centre Tenancy Contract shall be recognised as right-of-use assets. Annual caps of the rack rental are set based on the total value of the right-of-use assets of racks expected to be leased by the Company in each year, which is calculated with reference to the total annual rentals of racks leased by the Company each year throughout the lease term, and based on discount of the Company's incremental borrowing rate.
- (2) Pursuant to CASBE, the additional charges shall be directly included in costs due to failing to meet the definition of lease payment, and its annual caps shall be maximum amount of the additional charges to be paid by the Company to CTCD during relevant period.

REPORT OF DIRECTORS

(b) New Data Centre Ancillary Services Contract entered into between the Company and CTCD

On January 1, 2023, the Company entered into the Data Centre Ancillary Services Contract on a Disaster Recovery Project of TravelSky ("**Old Ancillary Services Contract**") with CTCD, pursuant to which CTCD agreed to lease the ancillary sites for production and living areas in Jiaxing Data Centre to the Company for a term commencing from January 1, 2023 and ending on August 31, 2025. Given that the Old Ancillary Services Contract was a contract with fixed terms, according to CASBE, the Company recognized a right-of-use asset of RMB4.76 million on a one-off basis on the date of entering into the Old Ancillary Services Contract. As the highest applicable percentage ratio calculated with reference to the value of such right-of-use asset was less than 0.1%, the transactions under the Old Ancillary Services Contract were fully exempt from the requirements under Chapter 14A of the Listing Rules.

As stated in the announcement of the Company dated April 29, 2025, on April 29, 2025, the Company and CTCD entered into the Data Centre Ancillary Services Contract on a Disaster Recovery Project of TravelSky with non-fixed terms ("**New Data Centre Ancillary Services Contract**"), pursuant to which CTCD agreed to lease ancillary sites and ancillary facilities for production, living, office, etc. in Jiaxing Data Centre to the Company for a term of three years from May 1, 2025 to April 30, 2028. Upon the New Data Centre Ancillary Services Contract becoming effective, the Old Ancillary Services Contract was terminated early on April 30, 2025.

Thus, pursuant to the Listing Rules, the transactions contemplated under the New Data Centre Ancillary Services Contract constitute the continuing connected transactions of the Company.

Date:	April 29, 2025
Parties:	(1) CTCD, as the lessor; and (2) the Company, as the tenant
Leasing scope:	Ancillary sites and ancillary facilities for production, office and living, etc. in Jiaxing Data Centre (the property owner is CTCD)
Validity of the Contract:	The term of the New Data Centre Ancillary Services Contract is three years, commencing from May 1, 2025 and ending on April 30, 2028. The Company has the right to enter into negotiations with CTCD for a renewal of the contract one month before the end of the validity period.

REPORT OF DIRECTORS

Rent, rental period and payment terms:

(1) Additional ancillary leasing services for production and office areas

(i) The prices for newly-leased ancillary sites for production and office areas are as follows (the unit price includes tax at the rate of 9%):

Items	Categories	Unit price (RMB/ sq.m./day)	Quantity (sq. m.)
Production area	Equipment Control Centre (ECC) and Warroom	20.02	796
Office area	Certain offices on 1-3 floors of the North Block, Building 0004	1.99	1,319

REPORT OF DIRECTORS

- (ii) The prices of the ancillary equipment for the newly-leased production area are as follows (the unit price includes tax at the rate of 13%):

Items	Categories	Unit price (RMB/day)
Ancillary equipment for production area	Equipment and other value-added services	2,717.18

Under the New Data Centre Ancillary Services Contract, the Company and CTCD will enter into a separate ancillary service order form, and the lease term shall commence from the commencement date as specified in the order form signed by both parties and end on April 30, 2028. Both parties agree that the annual rent for the new production and office areas shall be paid in full by the Company to CTCD within 60 calendar days from the commencement date of the lease, and that the annual rent for subsequent years shall be paid in full by the Company to CTCD before January 31 of the relevant year.

- (2) Additional ancillary leasing services for office

The prices for the additional ancillary sites for office are as follows (the unit price includes tax at the rate of 9%):

Items	Categories	Unit price (RMB/ sq.m./day)	Quantity (sq. m.)
Office area	Additional Office Premise on 1st Floor, South Block, Building 0004 (1 room)	1.99	180

REPORT OF DIRECTORS

Under the New Data Centre Ancillary Services Contract, the Company and CTCD will enter into a separate ancillary service order form, and the lease term shall commence from the commencement date as specified in the order form signed by both parties and end on April 30, 2028. Both parties agree that the annual rent for the new ancillary sites for office shall be paid in full by the Company to CTCD within 60 calendar days from the commencement date of the lease, and that the annual rent for subsequent years shall be paid in full by the Company to CTCD before January 31 of the relevant year.

(3) Additional ancillary leasing services for living area

The prices for the additional ancillary sites for living area are as follows (the unit price includes tax at the rate of 9%):

Items	Unit price (RMB/ sq.m./day)	Quantity (sq. m.)
Two-room dormitories (25 dormitories)	1.128	Approximately 2,000

Under the New Data Centre Ancillary Services Contract, the Company and CTCD will enter into a living ancillary space service order for each subsequent accommodation requirement, confirming the specific number of occupants and requirements, and will adhere to the living ancillary space service order. Both parties agree that the first year's rent for the newly-leased living area shall be paid in full by the Company to CTCD within 60 calendar days from the date of signing the living ancillary space service order, and that the annual rent for subsequent years shall be paid in full by the Company to CTCD before January 31 of the relevant year.

REPORT OF DIRECTORS

(4) Renewal of ancillary leasing services for production and living areas

The prices for the renewed lease of ancillary sites in the production and living areas are as follows (the unit price includes tax at the rate of 9%):

Items	Unit price (RMB/ sq.m./day)	Rented area (sq. m.)
ECC	20.02	99
Spare parts warehouse	4.18	500
Office Premise (6 rooms)	0.99	590
Two-room dormitories (4 dormitories)	1.09	267

Under the New Data Centre Ancillary Services Contract, the Company and CTCD will enter into a separate ancillary service order form, and the lease term shall commence from the commencement date as specified in the order form signed by both parties and end on April 30, 2028. Both parties agree that the annual rent for the production and office area shall be paid in full within 60 calendar days from the commencement date of the lease, and that the annual rent for subsequent years shall be paid in full by the Company to CTCD before January 31 of the relevant year.

From January 1, 2025 to December 31, 2025, the total value of the right-of-use assets of this continuing connected transaction was approximately RMB4,612 thousand (the annual cap was RMB10,000 thousand).

Note:

Pursuant to CASBE, the ancillary sites and ancillary facilities leased under the New Data Center Ancillary Services Contract will be recognized as right-of-use assets. Annual caps of the rental of ancillary sites and ancillary facilities are set based on the total value of the right-of-use assets of ancillary sites and ancillary facilities expected to be leased by the Company in each year, which is calculated with reference to the total annual rentals of ancillary sites and ancillary facilities leased by the Company each year throughout the lease term, and based on discount of the Company's incremental borrowing rate.

REPORT OF DIRECTORS

(c) The Computing Power Services Contract entered into between the Company and CTCD

As stated in the announcement of the Company dated August 29, 2025, the Company and CTCD entered into the Computing Power Services Contract, pursuant to which CTCD has agreed to provide the computing power services to the Company for a term commencing from September 1, 2025 and ending on August 31, 2026.

Date:	August 29, 2025
Service term:	from September 1, 2025 to August 31, 2026
Parties:	(1) CTCD, as service provider; and (2) the Company, as service recipient
Service content:	CTCD will build an AI computing power platform of private deployment for the Company in its data centre, providing computing power services, with total scale of 20P, including 9 intelligent computing servers, networking devices required for private resource pools, all-flash distributed storage services, security services, computing power scheduling services, etc, and the specific contents include: (1) CTCD shall provide corresponding computing power resources and quality assurance services (including fault handling of equipment and platform, excluding daily operation and maintenance of IT equipment and software platforms) based on the Company's computing power resource requirements. (2) CTCD shall be responsible for ensuring the cabinet, power, HVAC, fire protection and other server room services required for computing power resources. (3) CTCD shall provide 24/7 technical consulting services and 24/7 warranty services, with a response time within 30 minutes, and arrival at the site within 3 hours for major failures. (4) CTCD shall provide equipment inspection services twice per working day.

REPORT OF DIRECTORS

Payment term:

Service fees shall be settled on a quarterly basis, following the pay-after-use model. The Company shall pay the previous period's fees to CTCD within 30 calendar days upon receipt of the special VAT invoice issued by CTCD.

From September 1, 2025 to December 31, 2025, the transaction amount of this continuing connected transaction was approximately RMB3,043 thousand (the transaction cap was RMB9,130 thousand).

(d) Services Agreement in relation to the provision of cloud services and computer system services by the Company to TravelSky Mobile Tech

As stated in the announcement of the Company dated July 28, 2023, TravelSky Mobile Tech Limited ("TravelSky Mobile Tech") is a 30%-controlled company of China TravelSky Holding Company Limited, a substantial shareholder of the Company, and is therefore a connected person of the Company. The Company entered into the Service Agreement with TravelSky Mobile Tech in relation to the provision of cloud services and computer system services by the Company to TravelSky Mobile Tech. The transactions thereunder constitute continuing connected transactions of the Company under the Listing Rules.

Date: October 8, 2016 (as supplemented by the supplemental agreement dated May 26, 2020) and renewed on July 29, 2021 and July 28, 2023, respectively

Parties: (1) the Company (as the service provider); and
(2) TravelSky Mobile Tech (as the service recipient)

Term: As stated in the announcement of the Company dated June 29, 2020, the term of the Service Agreement between the Company and TravelSky Mobile Tech is from August 1, 2016 to July 31, 2021. Pursuant to the supplemental agreement dated May 26, 2020, if the Company and TravelSky Mobile Tech have no objection, the Service Agreement may be renewed for two years upon expiration.

As stated in the announcement of the Company dated July 29, 2021, the Board agreed to extend the term of the transactions under the Service Agreement for two years from August 1, 2021 to July 31, 2023 upon the expiry of the existing term on July 31, 2021.

As stated in the announcement of the Company dated July 28, 2023, the Board agreed to extend the term of the transactions under the Service Agreement for three years from August 1, 2023 to July 31, 2026 upon the expiry of the existing term on July 31, 2023.

REPORT OF DIRECTORS

Scope of services:	The Company continuously provides cloud services and computer system services to TravelSky Mobile Tech, mainly including, the provision of cloud computing infrastructure services (including but not limited to the lease of related servers, provision of storage services and ancillary database, backup and disaster recovery, computer room and operation and maintenance services), and services relating to advanced interactive executive for engines in cloud industry, etc.
Service fees:	The pricing of the aforementioned provision of services is determined through arm's length negotiation between the Company and TravelSky Mobile Tech with reference to the costs relating to the specific services and the processing volume and complexity of such services, and after taking into account the market conditions from time to time. Based on the actual situation of market price level and cost accounting data, the Company will negotiate with TravelSky Mobile Tech in advance if the Company intends to update the quotation standards for related services. In particular, for cloud computing infrastructure services, the pricing relating to the lease of related servers depends on the calculation performance (such as the kernels and memories) and operation and maintenance level of specific servers (the more advanced the calculation performance and operation and maintenance level involved, the higher the cost), and the unit price ranges from RMB1,234.09 per year (inclusive of tax) to RMB11,842.03 per year (inclusive of tax); and the pricing of the storage services depends on the storage capacity and storage performance (the more advanced the storage capacity and storage performance involved, the higher the cost), and the unit price ranges from RMB2.41 per year (inclusive of tax) to RMB123.66 per year (inclusive of tax); the miscellaneous fees will be charged for other ancillary services in accordance with the pricing principles mentioned above; and the unit price rates of advanced interactive executive for engines in cloud industry shall not be higher than RMB2.15 (inclusive of tax), with tiered pricing (i.e. the higher the transaction volume, the lower the unit rate, if applicable) being adopted for the relevant services. During the term of the Service Agreement, the total amount of various service fees paid by TravelSky Mobile Tech to the Company in each calendar year shall be no less than RMB40 million ("Minimum Service Fee"), and the shortfall shall be made up, and the excess shall be paid according to the actual expenses. If the actual performance days of the Service Agreement are less than one calendar year due to early termination or other reasons (or the year in which the Service Agreement is early terminated is less than one calendar year), the Minimum Service Fee (or the Minimum Service Fee in the year in which the Service Agreement is early terminated) shall be calculated based on the standard of the actual performance days/365* RMB40 million.

REPORT OF DIRECTORS

Payment terms: The service fees for the above services are generally calculated on a semi-annual or monthly basis and settled to the designated bank account of the Company.

From January 1, 2025 to December 31, 2025, the transaction amount of this continuing connected transaction was approximately RMB65,334 thousand (the transaction cap was RMB172,800 thousand).

(e) Service Framework Agreement in relation to the purchase of technology, products and maintenance services by the Company from TravelSky Mobile Tech

As stated in the announcement of the Company dated January 31, 2024, the Company entered into the Service Framework Agreement with TravelSky Mobile Tech ("**Service Framework Agreement**"), pursuant to which TravelSky Mobile Tech agreed to provide technology development, product research and development, technical support and operation and maintenance services thereunder to the Company for a term of period from January 31, 2024 to December 31, 2025.

As stated in the announcement of the Company dated December 24, 2025, the Board agreed that, upon the expiry of the term of the Service Framework Agreement on December 31, 2025, the term will be extended for three years commencing from January 1, 2026 to December 31, 2028.

Date: January 31, 2024 and renewed on December 24, 2025

Parties: (1) the Company (as the service recipient); and
(2) TravelSky Mobile Tech (as the service provider)

Term: January 31, 2024 to December 31, 2025

As stated in the announcement of the Company dated December 24, 2025, the Board agreed that, upon the expiry of the term on December 31, 2025, the term of the Service Framework Agreement will be extended for three years commencing from January 1, 2026 to December 31, 2028. If both the Company and TravelSky Mobile Tech have not raised objection in writing, the Service Framework Agreement will be renewed for three years upon expiration and may be renewed twice. Under such circumstances, the Company will duly perform its compliance obligations in accordance with the applicable provisions of the Listing Rules.

REPORT OF DIRECTORS

Scope of services and charges:

- (1) Technology development services: If the Company engages the professionals of TravelSky Mobile Tech to provide product development and other services for the Company's customers such as airlines and airports, the Company needs to pay TravelSky Mobile Tech technology development service fees, and may negotiate and sign the Technology Service Cooperation Agreement for relevant services. The remuneration of labour services is determined with reference to the standard of labour fees formulated by the Company. The price of labour support is formulated with reference to the standard of labour type, personnel level, geographical distribution, standard of labour fees, and labour cost which is determined based on the workload and difficulty of work.
- (2) Product research and development, technical support and operation and maintenance services:
 - i. If, based on business needs, products developed by TravelSky Mobile Tech shall be included into the Company's brand product series, and the Company shall pay fees to TravelSky Mobile Tech, both parties may separately agree on the specific work details in writing according to the actual needs of specific projects and site conditions. For example, internet information technology and system, data service technology and system, artificial intelligence technology and system, smart hardware devices, blockchain technology and system and other integrated solutions etc.;
 - ii. If TravelSky Mobile Tech promotes, markets, sells the products of the Company, the Company shall pay fees to TravelSky Mobile Tech. Both parties shall enter into product service and maintenance contracts for specific products at the agreed price. Based on the usage requirements of the products, after fully considering the cost and benefit, and with reference to the market conditions, both parties shall negotiate and confirm separately in writing; and
 - iii. If TravelSky Mobile Tech is entrusted by the Company to provide system operation and maintenance services to the Company or its customers, the Company shall pay fees to TravelSky Mobile Tech. Both parties shall determine the relevant fees through negotiation based on the external revenue, market efficiency, project costs, and task objectives of the project and with reference to the market conditions, and separately confirm the service standards, fees and payment arrangements in writing.

REPORT OF DIRECTORS

Pricing principles:

- (1) Where the relevant services are regulated by the government regulatory authorities, the fees shall be charged in accordance with the charging standards [prescribed prices] prescribed by government regulatory authorities (e.g. Civil Aviation Administration of China ("CAAC"));
- (2) If there is a recommended guidance price from the government regulatory authorities, both parties shall negotiate and formulate the charging standards with reference to the recommended guidance price;
- (3) If the government regulatory authorities do not have a prescribed price or guidance price, or the government-prescribed price or guidance price is cancelled or no longer applicable, both parties shall manually calculate the fees for technology development, product research and development, technical support and operation and maintenance services on the basis of not higher than the market price (if any) or the original government prescribed price or guidance price with reference to the Administrative Measures for Internal Technical Services of Travelsky Technology Limited 《中國民航信息網絡股份有限公司內部技術服務管理辦法》. The labour cost standard shall be calculated according to the internal contract labour cost standard of the Company for the year. According to the current Internal Technical Labour Cost Standard of Travelsky Technology Limited 《中國民航信息網絡股份有限公司內部技術人工費用標準》 and with reference to the qualifications and experience of personnel required by the complexity and difficulty of the project, the estimated labour price does not exceed RMB37,800/person/month. If there is an update to the Administrative Measures for Internal Technical Services of TravelSky Technology Limited 《中國民航信息網絡股份有限公司內部技術服務管理辦法》 during the term of the Service Framework Agreement, the updated internal contract labour cost standard of the Company shall prevail. The Company and TravelSky Mobile Tech may negotiate to increase the labour cost standard by 10% depending on the difficulties of the project. If a third-party customer is willing to pay the implementation or operation and maintenance expenses separately due to market reasons, the labour standard can be referred to the agreement between the Company and the third-party customer, or the above internal contract labour standard; and
- (4) If TravelSky Mobile Tech is considered a connected person of the Company under the Listing Rules, then all transaction terms under that agreement must be established based on 'normal commercial terms' (as defined in the Listing Rules) and shall not be less favorable than the terms provided by the Company to independent third parties or those received from them.

REPORT OF DIRECTORS

- Payment terms:
- (1) Both parties may enter into separate specific agreements (the “**Sub agreements**”) in accordance with the above “Scope of services and charges” and “Pricing principles”, and implement the payment terms in the Sub agreements.
 - (2) If both parties do not enter into a Sub-agreement:
 - i. The payee shall issue the bill to the payer within 5 working days after the end of each settlement cycle (monthly, quarterly and annual) as agreed by both parties. The payer shall make the payment within 10 working days after receiving the bill unless either party disagrees.
 - ii. For system installation and debugging projects, the corresponding fees shall be paid according to the completion progress and acceptance results of the projects.

From January 1, 2025 to December 31, 2025, the transaction amount of this continuing connected transaction was approximately RMB19,467 thousand (the annual cap was RMB100,000 thousand).

(f) Service Framework Agreement in relation to the provision of technology development, technical support and operation and maintenance services by China Transport Information to the Company

As stated in the announcements of the Company dated December 13, 2022 and December 29, 2023, on December 13, 2022, the Company entered into the Service Framework Agreement with China Transport Information Co., Ltd. (“**China Transport Information**”), pursuant to which China Transport Information agreed to provide technology development, technical support and operation and maintenance services to the Company thereunder for a term of one year from December 13, 2022 to December 12, 2023. On December 28, 2023, the Board agreed to extend the term from January 1, 2024 to December 31, 2025 upon the expiry of the existing term under the agreement on December 12, 2023. China Transport Information is a 30%-controlled company of China TravelSky Holding Company Limited, the substantial Shareholder of the Company. China Transport Information is therefore a connected person of the Company. As such, the transactions contemplated under the Service Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

- Date: December 13, 2022 and renewed on December 29, 2023
- Parties:
 - (1) the Company (as the service recipient); and
 - (2) China Transport Information (as the service provider)
- Term: December 13, 2022 to December 12, 2023 and (after the extension) January 1, 2024 to December 31, 2025

REPORT OF DIRECTORS

Scope of services
and charges:

- (1) Technology development services: If the Company engages the professionals of China Transport Information to provide product development and other services for the Company's customers such as airlines and airports, the Company may pay China Transport Information technology development service fees, and may negotiate and sign the Technology Service Cooperation Agreement for relevant services. The remuneration of labour services is determined with reference to the standard of labour fees formulated by the Company. The price of labour support is formulated with reference to the standard of labour type, personnel level, geographical distribution, standard of labour fees, and labour cost which is determined based on the workload and difficulty of work.
- (2) Technical support and operation and maintenance services:
 - i. If China Transport Information promotes, markets, sells the products of the Company, the Company shall pay fees to China Transport Information. Both parties shall enter into product service and maintenance contracts for specific products at the agreed price. Based on the usage requirements of the products, after fully considering the cost and benefit, and with reference to the market conditions, both parties shall negotiate and confirm separately in writing; and
 - ii. If China Transport Information is entrusted by the Company to provide system operation and maintenance services to the Company or its customers, the Company shall pay fees to China Transport Information. Both parties shall determine the relevant fees through negotiation based on the external revenue, market efficiency, costs and task objectives of the project and with reference to the market conditions, and separately confirm the service standards, fees and payment arrangements in writing.

REPORT OF DIRECTORS

- Pricing principles:
- (1) Where the relevant services are regulated by government regulatory authorities, the fees shall be charged in accordance with the charging standards (prescribed prices) prescribed by the government regulatory authorities (e.g. CAAC);
 - (2) If there is a recommended guidance price from the government regulatory authorities, both parties shall negotiate and formulate the charging standards with reference to the recommended guidance price;
 - (3) If the government regulatory authorities do not have a prescribed price or guidance price, or the government-prescribed price or guidance price is cancelled or no longer applicable, both parties shall manually calculate the fees for technology development, technical support and operation and maintenance services on the basis of not higher than the market price (if any, the customised products or services provided by China Transport Information to the Company shall have no market price for similar products or services) or the original government-prescribed price or guidance price with reference to the Internal Contract Management Regulations of Travelsky Technology Limited 《中國民航信息網絡股份有限公司內部合約管理規範》. The labour cost standard shall be calculated according to the internal contract labour cost standard of the Company for the year. According to the current Internal Contract Labour Cost Standard of Travelsky Technology Limited for 2022 《中國民航信息網絡股份有限公司2022年內部合約人工費用標準》 and with reference to the qualifications and experience of personnel required by the complexity and difficulty of the project, the labour cost per capita is estimated to be between RMB13,374 per month and RMB36,000 per month. The Company and China Transport Information may negotiate to adjust the labour cost standard by 5%-10% depending on the difficulties of the project. If a third-party customer is willing to pay the implementation or operation and maintenance expenses separately due to market reasons, the labour standard can be referred to the agreement between the Company and the third-party customer, or the above internal contract labour standard; and
 - (4) If China Transport Information is deemed as a connected person of the Company under the Listing Rules, all terms of transactions hereunder must be on a “normal commercial terms” basis (as defined under the Listing Rules) and no less favorable to the Company than terms available to or from independent third parties.

REPORT OF DIRECTORS

- Payment terms:
- (1) Both parties may enter into separate specific agreements (the “Sub-agreements”) in accordance with the above “Scope of services and charges” and “Pricing principles”, and implement the payment terms in the Sub-agreements.
 - (2) If both parties do not enter into the Sub-agreements:
 - i. The payee shall issue the bill to the payer within 5 working days after the end of each settlement cycle (monthly, quarterly and annual) as agreed by both parties. The payer shall make the payment within 10 working days after receiving the bill unless either party disagrees.
 - ii. For system installation and debugging projects, the corresponding fees shall be paid according to the completion progress and acceptance results of the projects.

From January 1, 2025 to December 31, 2025, the transaction amount of this continuing connected transaction was approximately RMB3,511 thousand (the annual cap was RMB13,000 thousand).

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting policies and practices adopted by the Group and has also discussed certain other matters relating to audit and risk management, internal control and financial reporting, including the review of the audited financial statements for Year 2025.

REPORT OF DIRECTORS

AUDITOR

As approved by the shareholders of the Company at the annual general meeting on June 12, 2025, BDO China SHU LUN PAN Certified Public Accountants LLP ("**BDO China**") was appointed as the auditor auditing the Company's financial reports in accordance with the CASBE and discharge the duties as an auditor under the Listing Rules, with a term of office until the conclusion of the 2025 annual general meeting of the Company. The Company has not changed its PRC auditor from Year 2018 to Year 2025.

According to the Financial Reporting Council Ordinance (Cap 588) of Hong Kong (effective from October 1, 2019), BDO China engaged by the Company is a recognised PRC auditor, i.e. a firm of practicing accountants approved by both the Ministry of Finance of the PRC and the China Securities Regulatory Commission, and is eligible to provide auditing services by using the CASBE to the mainland incorporated issuers listed in Hong Kong.

By Order of the Board

Jiang Bo

Chairman

March 26, 2026

AUDITORS' REPORT

PCPAR [2026] No. ZK10035

TO ALL SHAREHOLDERS OF TRAVELSKY TECHNOLOGY LIMITED:

I OPINION

We have audited the financial statements of TravelSky Technology Limited (hereinafter referred to as the "**TravelSky**"), including the consolidated balance sheet and the balance sheet of the parent company as at December 31, 2025, the consolidated income statement and the income statement of the parent company, the consolidated statement of cash flows and statement of cash flows of the parent company, the consolidated statement of changes in shareholders' equity and the statement of changes in shareholders' equity of the parent company for the year then ended and the relevant notes to the financial statements.

In our opinion, the financial statements attached are prepared, in all material respects, in accordance with the Accounting Standards for Business Enterprises, and present fairly the consolidated financial positions and the parent company's financial positions as at December 31, 2025 and the consolidated operating results and cash flows and the parent company's operating results and cash flows for the year then ended.

II BASIS FOR OUR OPINION

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of this auditors' report. According to the Independence Standard No. 1 for Certified Public Accountants of China – Independence Requirements for Financial Statement Audit and Review Engagements and the Code of Ethics for Certified Public Accountants of China, we are independent of the Company, and we have fulfilled other responsibilities in the aspect of code of ethics. We have complied with the independence requirements applicable to the audit of public interest entities in conducting our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. The response to these matters is based on the overall audit of the financial statements and the formation of audit opinions. We do not express our opinions on these matters separately. We determine to communicate the following key audit matters in the auditors' report:

- (I) Impairment assessment of accounts receivable
- (II) Revenue recognition

III KEY AUDIT MATTERS (CONTINUED)

Key Audit Matters

How the audit addressed the matter

(I) Impairment assessment of accounts receivable

As at December 31, 2025, the carrying amount of TravelSky's accounts receivable was RMB6,179,475.40 thousand, for which management had provided an allowance for doubtful debts of RMB1,072,562.00 thousand. Management's assessment of the recoverability of accounts receivable involves significant judgment. In making such assessment, management needs to make judgments on the expected solvency of the debtors based on past experience, including customers' repayment records, customers' financial conditions, aging of accounts receivable, and assessment of current and expected economic environment, all of which involve significant management judgment. Therefore, we identified the impairment assessment of accounts receivable as a key audit matter.

The key audit procedures we performed for the impairment assessment of accounts receivable included:

- (1) Analyzing the reasonableness of TravelSky's accounting estimates for allowance for doubtful accounts, including the basis for grouping accounts receivable and the judgment for individually assessing expected credit loss allowance;
- (2) Evaluating whether the historical loss rates used in the expected credit loss model are based on current economic conditions and forward-looking information;
- (3) Obtaining TravelSky's aging analysis of accounts receivable and the calculation sheet for allowance for doubtful accounts, and reviewing the accuracy of the calculation of credit loss;
- (4) For significant accounts receivable, assessing the accuracy of expected credit loss allowance by analyzing the aging of accounts receivable, the financial conditions of customers, the expected conditions and credit standing of the industries in which they operate, and examining customers' past payment records and subsequent receipts.

AUDITORS' REPORT

III KEY AUDIT MATTERS (CONTINUED)

Key Audit Matters

How the audit addressed the matter

(III) Revenue recognition

The accounting policies and disclosures for revenue recognition are set in Note 3.25.

The main audit procedures we performed for revenue recognition included:

TravelSky's revenue for the year ended December 31, 2025 was RMB8,765,840.10 thousand. According to TravelSky's accounting policies: revenue from civil aviation information technology services, settlement and clearing services, and data network services is recognized on a monthly basis as the services are provided; for Airport digitalization service revenue, where the project operation time is generally shorter, revenue is recognized upon acceptance by the customer.

Operating Revenue is a significant component of the income statement, and we therefore consider revenue recognition as a key audit matter.

- (1) Testing and evaluating the design and operating effectiveness of TravelSky's key internal controls over revenue recognition;
- (2) Selecting samples of sales contracts, identifying key terms and conditions of the contracts, and evaluating whether the timing of TravelSky's revenue recognition complies with the requirements of the Accounting Standards for Business Enterprises;
- (3) Performing revenue detail testing, selecting samples from the revenue ledger, verifying consistency with bills generated from the business system, and checking contracts or orders, sales delivery documents, delivery acceptance records or acceptance reports;
- (4) Performing confirmation procedures on major customers for the year ended December 31, 2025;
- (5) Performing cut-off testing on revenue to confirm whether revenue is recorded in the correct accounting period.

IV OTHER INFORMATION

The management of the Company (hereinafter referred to as “**the Management**”) is responsible for other information. The other information comprises the information covered in the 2025 annual report of the Company, but excludes the financial statements and our auditors' report.

Our opinion on the financial statements does not cover the other information, and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the work we have performed, if we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

V RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's management (hereinafter referred to as “**the Management**”) is responsible for preparing the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises to achieve a fair presentation, and for designing, implementing and maintaining internal control that is necessary to ensure that the financial statements are free from material misstatements, whether due to frauds or errors.

In preparing the financial statements, the Management is responsible for assessing the ability of the Company to continue as a going concern, disclosing matters related to going concern (if applicable) and using the going concern basis of accounting, unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Company.

AUDITORS' REPORT

VI AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit standards will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are generally considered material if separate or aggregated misstatements are reasonably expected to possibly influence the economic decisions made by the users of financial statements on the basis of these financial statements.

During the process of an audit conducted in accordance with audit standards, we exercise professional judgment and maintain professional scepticism. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Understand the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (4) Conclude on the appropriateness of the Management's use of the going-concern assumption. Meanwhile, according to the audit evidence acquired, the management comes to conclusion on matters which may cause significant misgiving against the going-concern ability of the Company or whether the said situation exists material uncertainty or not. If we conclude that a material uncertainty exists, we are required to, in our auditors' report, draw attention of the users of statements to the related disclosures in the financial statements; if such disclosures are inadequate, we should modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

AUDITORS' REPORT

VI AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- (5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and evaluate whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) We have acquired sufficient and proper audit evidence in regard to financial information relating to entity or business activities of the Company to give the audit opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report, unless these matters are forbidden by laws and regulations to be disclosed or in extremely rare circumstances, when the negative impact arising from the reasonable and expected communication about a certain matter in a auditors' report exceeds the public interest benefits arising therefrom, we determine that such matter should not be communicated in the auditors' report.

BDO CHINA Shu Lun Pan
Certified Public Accountants LLP

Certified Public Accountant of China:
Gao Fei (Project Partner)

Certified Public Accountant of China:
Yang Yinhua

Shanghai, China

March 26, 2026

This auditors' report and the accompanying financial statements are English translations of the Chinese auditors' report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. In case the English version does not conform to the Chinese version, the Chinese version shall prevail.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

Assets	Notes	As at December 31, 2025	As at December 31, 2024
Current assets:			
Cash and bank balances	5.1	10,059,017,494.73	10,548,986,496.67
Balances with clearing companies			
Loans to banks and other financial institutions			
Financial assets held for trading	5.2	3,414,508,219.18	2,218,192,945.21
Derivative financial assets			
Notes receivable	5.3	248,143,157.49	269,118,893.54
Accounts receivable	5.4	5,106,913,414.98	4,959,275,042.63
Receivables financing			
Advances to suppliers	5.5	218,866,208.80	72,999,193.03
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance contract reserves receivable			
Other receivables	5.6	2,853,637,688.95	2,100,223,581.75
Financial assets purchased under resale agreements			
Inventories	5.7	79,496,278.28	81,686,792.62
Including: Data resources			
Contract assets	5.8	75,742,973.38	44,000,852.27
Assets held for sale			
Non-current assets maturing within one year	5.9	545,671,917.81	
Other current assets	5.10	1,286,064,183.52	203,727,383.98
Total current assets		23,888,061,537.12	20,498,211,181.70

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025
 (Amounts are expressed in RMB unless otherwise stated.)

Assets	Notes	As at December 31, 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	927,965,569.04	899,875,105.43
Investments in other equity instruments	5.12	1,052,313,600.00	1,004,312,400.00
Other non-current financial assets	5.13	1,116,357,687.34	1,017,411,627.32
Investment properties	5.14	169,818,798.42	84,971,063.92
Fixed assets	5.15	2,976,476,809.06	2,784,164,532.52
Construction in progress	5.16	18,203,856.24	37,609,010.67
Productive biological assets			
Oil and gas assets			
Right-of-use assets	5.17	286,900,097.77	43,889,847.06
Intangible assets	5.18	1,699,851,111.76	2,004,840,572.58
Including: Data resources		24,629,561.49	26,650,781.13
Development expenditures	6.2	227,406,005.45	49,791,772.44
Including: Data resources			
Goodwill	5.19	260,400.76	260,400.76
Long-term deferred expenses	5.20	28,371,085.56	25,919,254.65
Deferred tax assets	5.21	654,306,807.30	592,031,037.44
Other non-current assets	5.22	144,301,861.08	651,357,806.69
Total non-current assets		9,302,533,689.78	9,196,434,431.48
Total assets		33,190,595,226.90	29,694,645,613.18

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

Legal Representative:
Bo Jiang

Chief Accountant:
Xianqing Liu

Accountant in Charge:
Wei Zheng

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

		As at December 31, 2025	As at December 31, 2024
Liabilities and Shareholders' equity	Notes		
Current liabilities:			
Short-term borrowings	5.24	1,288,402,134.97	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	2,443,621,921.40	2,187,400,166.94
Advances from customers			
Contract liabilities	5.26	1,050,430,852.10	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	320,138,829.90	290,568,224.21
Taxes payable	5.28	249,244,910.86	181,366,693.57
Other payables	5.29	2,280,682,802.54	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	137,224,917.67	241,577,991.50
Other current liabilities	5.31	65,291,971.02	22,905,296.79
Total current liabilities		7,835,038,340.46	6,724,715,716.03
Non-current liabilities:			
Reserves for insurance contracts			
Long-term borrowings	5.32	471,200,000.00	
Bonds payable			
Including: Preferred stock			
Perpetual bonds			
Lease liabilities	5.33	164,965,639.83	8,253,574.18
Long-term payables	5.34	395,709.35	400,237.65
Long-term employee compensation payable			
Provisions	5.35	1,702,448.23	20,000.00
Deferred income	5.36	1,372,500.00	172,500.00
Deferred tax liabilities	5.21	90,693,021.34	64,097,885.48
Other non-current liabilities			
Total non-current liabilities		730,329,318.75	72,944,197.31
Total liabilities		8,565,367,659.21	6,797,659,913.34

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025
 (Amounts are expressed in RMB unless otherwise stated.)

		As at December 31, 2025	As at December 31, 2024
Liabilities and Shareholders' equity	Notes		
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	135,684,837.81	98,947,549.31
Special reserves			
Surplus reserves	5.40	4,871,436,773.32	4,509,067,403.87
General risk reserves	5.41	15,228,948.37	13,260,933.32
Retained earnings	5.42	14,767,735,851.01	13,489,875,636.21
Total equity attributable to shareholders of the Company		23,983,764,109.99	22,304,829,222.19
Non-controlling interests		641,463,457.70	592,156,477.65
Total shareholders' equity		24,625,227,567.69	22,896,985,699.84
Total liabilities and shareholders' equity		33,190,595,226.90	29,694,645,613.18

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

Legal Representative:
Bo Jiang

Chief Accountant:
Xianqing Liu

Accountant in Charge:
Wei Zheng

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

As at December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

Assets	Notes	As at December 31, 2025	As at December 31, 2024
Current assets:			
Cash and bank balances		7,120,057,312.32	7,834,760,091.25
Financial assets held for trading		3,414,508,219.18	2,218,192,945.21
Derivative financial assets			
Notes receivable		234,499,486.67	256,140,522.44
Accounts receivable	17.1	4,672,467,944.67	4,501,083,064.12
Receivables financing			
Advances to suppliers		213,844,999.74	85,883,638.82
Other receivables	17.2	347,266,728.38	364,757,247.16
Inventories		33,298,107.35	15,568,327.05
Including: Data resources			
Contract assets		90,260,887.78	43,718,738.10
Assets held for sale			
Non-current assets maturing within one year			
Other current assets		1,205,001,953.56	112,254,358.64
Total current assets		17,331,205,639.65	15,432,358,932.79

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

As at December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

Assets	Notes	As at December 31, 2025	As at December 31, 2024
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	17.3	2,779,881,525.64	2,749,351,507.05
Investment in other equity instruments		1,052,313,600.00	1,004,312,400.00
Other non-current financial assets		1,116,357,687.34	1,017,411,627.32
Investment properties		68,332,353.15	76,575,994.47
Fixed assets		2,678,632,911.14	2,368,661,653.66
Construction in progress		18,302,912.84	37,708,067.27
Productive biological assets			
Oil and gas assets			
Right-of-use assets		256,995,880.92	25,640,115.40
Intangible assets		1,569,499,382.10	1,907,393,789.27
Including: Data resources		24,629,561.49	26,650,781.13
Development expenditures		206,551,818.76	29,133,718.79
Including: Data resources			
Goodwill			
Long-term deferred expenses		24,800,201.82	23,246,289.52
Deferred tax assets		636,975,903.83	577,152,101.52
Other non-current assets			
Total non-current assets		10,408,644,177.54	9,816,587,264.27
Total assets		27,739,849,817.19	25,248,946,197.06

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

Legal Representative:
Bo Jiang

Chief Accountant:
Xianqing Liu

Accountant in Charge:
Wei Zheng

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

As at December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

	Notes	As at December 31, 2025	As at December 31, 2024
Liabilities and Shareholders' equity			
Current liabilities:			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		2,624,968,520.63	2,477,488,442.40
Advances from customers			
Contract liabilities		926,178,498.25	600,175,903.18
Employee compensation payables		204,920,718.64	184,885,070.77
Taxes payable		148,449,251.36	76,100,180.35
Other payables		3,521,990,919.56	3,435,017,105.64
Liabilities held for sale			
Non-current liabilities maturing within one year		117,942,531.58	228,450,779.77
Other current liabilities		56,356,580.61	19,981,095.66
Total current liabilities		7,600,807,020.63	7,022,098,577.77
Non-current liabilities:			
Long-term borrowings		471,200,000.00	
Bonds payable			
Including: Preferred stock			
Perpetual bonds			
Lease liabilities		152,658,873.81	1,095,768.72
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income		1,372,500.00	172,500.00
Deferred tax liabilities		76,801,994.15	51,251,622.27
Other non-current liabilities			
Total non-current liabilities		702,033,367.96	52,519,890.99
Total liabilities		8,302,840,388.59	7,074,618,468.76

STATEMENT OF FINANCIAL POSITION OF THE PARENT COMPANY

As at December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

	Notes	As at December 31, 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		154,533,991.10	113,265,760.25
Special reserves			
Surplus reserves		4,865,930,581.12	4,503,561,211.67
Retained earnings		10,124,128,143.12	9,265,084,043.12
Total shareholders' equity		19,437,009,428.60	18,174,327,728.30
Total liabilities and shareholders' equity		27,739,849,817.19	25,248,946,197.06

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

Legal Representative:
Bo Jiang

Chief Accountant:
Xianqing Liu

Accountant in Charge:
Wei Zheng

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

Items	Notes	Year 2025	Year 2024
I. Total operating income		8,765,840,085.25	8,823,023,320.85
Including: Operating income	5.43	8,765,840,085.25	8,823,023,320.85
Interest income			
Earned premium			
Fees and commission income			
II. Total operating costs		6,333,077,981.40	6,453,463,540.66
Including: Operating costs	5.43	4,306,843,626.08	4,309,889,220.28
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	97,513,204.30	94,602,042.56
Selling and distribution expenses	5.45	112,974,855.05	97,168,483.37
General and administrative expenses	5.46	1,305,083,079.13	1,336,560,399.53
Research and development expenses	5.47	615,641,255.14	824,636,765.01
Financial expenses	5.48	-104,978,038.30	-209,393,370.09
Including: Interest expenses		20,647,822.61	11,482,616.50
Interest income		115,898,872.01	199,101,553.97
Plus: Other income	5.49	13,805,793.64	12,160,789.60
Investment income ("-" for losses)	5.50	83,680,802.71	80,660,549.24
Including: Gains from investment in associates and joint ventures		50,791,547.29	43,718,133.70
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	127,175,113.78	77,609,482.49
Credit impairment losses ("-" for losses)	5.52	35,320,944.64	-113,963,400.61
Asset impairment losses ("-" for losses)	5.53	10,957,932.79	-25,352,094.14
Gains from disposal of assets ("-" for losses)	5.54	2,742,334.05	1,831,533.51

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

Items	Notes	Year 2025	Year 2024
III. Operating profits ("-" for losses)		2,706,445,025.46	2,402,506,640.28
Plus: Non-operating income	5.55	2,815,667.95	14,393,696.31
Less: Non-operating expenses	5.56	24,527,875.74	22,374,090.32
IV. Total profits ("-" for total losses)		2,684,732,817.67	2,394,526,246.27
Less: Income tax expenses	5.57	278,829,122.90	265,962,687.99
V. Net profit ("-" for net loss)		2,405,903,694.77	2,128,563,558.28
(I) Classified by operating continuity			
1. Net profit from continuing operations ("-" for net loss)		2,405,903,694.77	2,128,563,558.28
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)		2,341,561,691.06	2,074,272,594.78
2. Net profit attributable to non-controlling interests ("-" for net loss)		64,342,003.71	54,290,963.50
VI. Other comprehensive income, net of tax		36,737,288.50	152,187,066.07
Other comprehensive income, net of tax attributable to shareholders of the Company		36,737,288.50	152,187,066.07
(I) Items that cannot be reclassified to profit or loss		41,268,230.85	147,706,519.81
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		467,210.85	-56,290.19
3. Changes in fair value of other equity instruments investment		40,801,020.00	147,762,810.00
4. Changes in the fair value of the Company's own credit risk			
(II) Items that may be reclassified to profit or loss		-4,530,942.35	4,480,546.26
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			

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

Items	Notes	Year 2025	Year 2024
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		-4,530,942.35	4,480,546.26
7. Others			
Other comprehensive income, net of tax, attributable to non-controlling interests			
VII. Total comprehensive income		2,442,640,983.27	2,280,750,624.35
Total comprehensive income attributable to shareholders of the Company		2,378,298,979.56	2,226,459,660.85
Total comprehensive income attributable to non-controlling interests		64,342,003.71	54,290,963.50
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	5.58	0.80	0.71
(II) Diluted earnings per share (RMB/share)	5.58	0.80	0.71

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

Legal Representative:
Bo JiangChief Accountant:
Xianqing LiuAccountant in Charge:
Wei Zheng

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

Items	Notes	Year 2025	Year 2024
I. Operating income	17.4	6,870,957,074.51	7,057,403,684.42
Less: Operating costs	17.4	3,426,591,906.96	3,614,094,728.54
Taxes and surcharges		78,903,296.40	76,884,371.30
Selling and distribution expenses		59,597,346.38	51,512,091.46
General and administrative expenses		978,166,737.02	1,014,056,508.86
Research and development expenses		493,488,774.80	583,951,616.11
Financial expenses		-11,367,266.19	-100,361,473.61
Including: Interest expenses		19,048,998.34	10,191,723.84
Interest income		34,056,658.46	104,668,784.86
Plus: Other income		2,430,942.42	5,265,767.33
Investment income ("-" for loss)	17.5	103,215,812.87	91,406,312.13
Including: Gains from investment			
in associates and joint ventures		53,231,102.27	28,298,087.79
Gains from derecognition of			
financial assets measured at			
amortized cost			
Gains from net exposure hedging			
("-" for losses)			
Gains from changes in fair value			
("-" for losses)		127,175,113.78	77,609,482.49
Credit impairment losses ("-" for losses)		34,275,891.23	-90,990,834.35
Asset impairment losses ("-" for losses)		10,618,936.92	-23,463,809.18
Gains from disposal of assets			
("-" for losses)		2,663,625.38	12,418.29
II. Operating profits ("-" for losses)		2,125,956,601.74	1,877,105,178.47
Plus: Non-operating income		417,088.22	12,931,239.21
Less: Non-operating expenses		22,459,014.77	12,925,372.35
III. Total profits ("-" for total losses)		2,103,914,675.19	1,877,111,045.33
Less: Income tax expenses		183,137,113.98	174,194,912.06
IV. Net profit ("-" for net loss)		1,920,777,561.21	1,702,916,133.27
(I) Net profit from continuing operations			
("-" for net loss)		1,920,777,561.21	1,702,916,133.27
(II) Net profit from discontinued operations			
("-" for net loss)			

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

Items	Notes	Year 2025	Year 2024
V. Other comprehensive income, net of tax		41,268,230.85	147,706,519.81
(I) Other comprehensive income that cannot be reclassified to profit or loss		41,268,230.85	147,706,519.81
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		467,210.85	-56,290.19
3. Changes in fair value of other equity instruments investment		40,801,020.00	147,762,810.00
4. Changes in the fair value of the Company's own credit risk			
(II) Items 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		1,962,045,792.06	1,850,622,653.08
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:
Bo JiangChief Accountant:
Xianqing LiuAccountant in Charge:
Wei Zheng

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

Items	Notes	Year 2025	Year 2024
I. Cash flows from operating activities			
Cash received from sales of goods and rendering of services		9,628,076,481.35	8,422,345,908.03
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		171,769,887.01	72,917,214.55
Cash received from other operating activities	5.60	143,477,875,950.38	146,516,096,588.03
Sub-total of cash inflows from operating activities		153,277,722,318.74	155,011,359,710.61
Cash paid for goods purchased and services received		2,317,198,939.95	2,239,552,560.85
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		2,637,804,626.30	2,495,938,212.43
Cash paid for taxes and surcharges		951,167,157.65	891,067,231.35
Cash paid for other operating activities	5.60	144,448,014,017.60	146,858,856,783.44
Sub-total of cash outflows from operating activities		150,354,184,741.50	152,485,414,788.07
Net cash flows from operating activities	5.61	2,923,537,577.24	2,525,944,922.54

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

Items	Notes	Year 2025	Year 2024
II. Cash flows from investing activities			
Cash received from disposal of investments		11,096,576,060.18	6,721,510,545.25
Cash received from returns on investments		118,999,813.77	92,182,913.12
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		339,074.54	1,728,567.06
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		11,215,914,948.49	6,815,459,275.43
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		842,793,056.82	353,479,429.14
Cash paid for investments		13,264,660,527.17	5,567,869,665.00
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		14,107,453,583.99	5,921,791,647.88
Net cash flows from investing activities		-2,891,538,635.50	893,667,627.55
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		3,812,997,320.57	3,188,535,390.22
Cash received from other financing activities			
Sub-total of cash inflows from financing activities		3,812,997,320.57	3,188,535,390.22
Cash paid for debts repayments		3,456,623,293.92	2,737,649,211.46
Cash paid for distribution of dividends and profits or payment of interest		744,218,133.73	517,761,079.90
Including: dividends and profits paid to minority shareholders by subsidiaries		10,789,623.66	13,576,566.88
Cash paid for other financing activities	5.60	124,238,174.12	129,935,186.71
Sub-total of cash outflows from financing activities		4,325,079,601.77	3,385,345,478.07
Net cash flows from financing activities		-512,082,281.20	-196,810,087.85

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025
 (Amounts are expressed in RMB unless otherwise stated.)

Items	Notes	Year 2025	Year 2024
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		-9,679,054.72	8,377,743.14
V. Net increase in cash and cash equivalents	5.61	-489,762,394.18	3,231,180,205.38
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		10,017,949,085.85	10,507,711,480.03

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

Legal Representative:
Bo Jiang

Chief Accountant:
Xianqing Liu

Accountant in Charge:
Wei Zheng

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

Items	Notes	Year 2025	Year 2024
I. Cash flows from operating activities			
Cash received from sales of goods and rendering of services		7,477,223,767.35	6,556,058,052.85
Refund of taxes and surcharges		168,003,810.21	68,228,432.60
Cash received from other operating activities		323,597,778.92	769,933,189.97
Sub-total of cash inflows from operating activities		7,968,825,356.48	7,394,219,675.42
Cash paid for goods purchased and services received		2,238,121,485.82	2,273,985,124.48
Cash paid to and on behalf of employees		1,561,160,293.19	1,467,307,511.93
Cash paid for taxes and surcharges		732,909,173.60	696,639,446.97
Cash paid for other operating activities		788,883,288.51	720,494,679.75
Sub-total of cash outflows from operating activities		5,321,074,241.12	5,158,426,763.13
Net cash flows from operating activities		2,647,751,115.36	2,235,792,912.29
II. Cash flows from investing activities			
Cash received from disposal of investments		10,841,563,517.66	6,724,664,171.19
Cash received from returns on investments		137,132,368.95	111,369,229.19
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		143,260.46	1,613,194.06
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		10,978,839,147.07	6,837,646,594.44
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		784,970,438.15	359,382,645.68
Cash paid for investments		13,009,649,425.17	5,567,869,665.00
Net cash paid to acquire subsidiaries and other business units			
Cash paid for other investing activities			
Sub-total of cash outflows from investing activities		13,794,619,863.32	5,927,252,310.68
Net cash flows from investing activities		-2,815,780,716.25	910,394,283.76

STATEMENT OF CASH FLOWS OF THE PARENT COMPANY

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

Items	Notes	Year 2025	Year 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		708,190,163.29	475,508,229.87
Cash paid for other financing activities		104,184,748.36	110,492,969.62
Sub-total of cash outflows from financing activities		1,012,374,911.65	586,001,199.49
Net cash flows from financing activities		-541,174,911.65	-586,001,199.49
IV. Effect of fluctuation in exchange rate on cash and cash equivalents		-5,498,266.39	1,279,543.04
V. Net increase in cash and cash equivalents		-714,702,778.93	2,561,465,539.60
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		7,120,057,312.32	7,834,760,091.25

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

Legal Representative:
Bo Jiang

Chief Accountant:
Xianqing Liu

Accountant in Charge:
Wei Zheng

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

Items	Year 2025													
	Equity attributable to shareholders of the parent company													
	Share capital	Preferred stock	Perpetual bonds	Other equity instruments	Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profits	Sub-total	Minority interest	Total shareholders' equity
I. Balance as at December 31, 2024	2,926,209,589.00				1,267,468,110.48		98,947,549.31		4,509,867,403.87	13,260,933.32	13,469,875,636.21	22,304,827,222.19	592,156,477.65	22,896,985,699.84
Plus: Changes in accounting policies														
Correction of accounting errors in prior periods														
Business combination under common control														
Others														
II. Balance as at January 1, 2025	2,926,209,589.00				1,267,468,110.48		98,947,549.31		4,509,867,403.87	13,260,933.32	13,469,875,636.21	22,304,827,222.19	592,156,477.65	22,896,985,699.84
III. Increase/decrease in 2025 ("+" for decreases)							36,737,288.50		362,369,369.65	1,968,015.05	1,277,860,714.80	1,678,934,887.80	49,306,980.05	1,728,241,867.85
(I) Total comprehensive income							36,737,288.50		362,369,369.65		2,341,561,691.06	2,378,298,975.56	64,342,003.71	2,442,640,963.27
(2) Capital contributed or reduced by shareholders														
(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									362,369,369.65	1,968,015.05	-1,063,701,976.26	-699,364,091.76	-15,035,023.66	-716,399,115.42
(i) Withdrawal of surplus reserves									362,369,369.65		-362,369,369.65			
(ii) Withdrawal of general risk reserves										1,968,015.05	-1,968,015.05			
(iii) Profit distribution to shareholders											-699,364,091.76	-699,364,091.76	-15,035,023.66	-716,399,115.42
(iv) 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 2025														
(ii) Amount used in 2025														
(vi) Others														
IV. Balance as at December 31, 2025	2,926,209,589.00				1,267,468,110.48		135,684,837.81		4,871,436,773.52	15,228,948.37	14,707,735,351.01	23,983,764,103.99	641,463,657.70	24,625,227,567.69

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

Legal Representative: Bo Jiang

Chief Accountant: Xianqing Liu

Accountant in Charge: Wei Zheng

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

Equity attributable to shareholders of the parent company														
Year 2024														
Items	Other equity instruments			Less:			Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profits	Sub-total	Minority interest	Total shareholders' equity
	Share capital	Preferred stock	Perpetual bonds	Capital reserves	Others	treasury stock								
I. Balance as at December 31, 2023	2,926,209,589.00			1,192,037,425.52			-53,239,516.76		4,221,794,468.50	13,260,933.32	12,171,069,311.04	20,471,132,410.62	547,461,920.59	21,018,594,331.21
Plus: Changes in accounting policies														
Correction of accounting errors in prior periods														
Business combination under common control														
Others														
II. Balance as at January 1, 2024	2,926,209,589.00			1,192,037,425.52			-53,239,516.76		4,221,794,468.50	13,260,933.32	12,171,069,311.04	20,471,132,410.62	547,461,920.59	21,018,594,331.21
III. Increase/decrease in 2024 ("+" for increases)				75,430,684.96			152,187,066.07		287,272,735.37	1,318,806,325.17	1,833,694,811.57	44,894,557.06	1,878,391,368.63	
(I) Total comprehensive income														
(2) Capital contributed or reduced by shareholders														
(i) Common stock contributions by shareholders														
(ii) Capital contributed by the holders of other equity instruments				75,430,684.96			152,187,066.07		2074,272,594.78	2,226,459,640.85	54,290,965.50	2,280,750,624.35	75,430,684.96	
(iii) Amounts of share-based payments recognized in shareholders' equity														
(iv) Others														
(3) Profit distribution				75,430,684.96					287,272,735.37	-755,466,269.61	-468,193,534.24	75,430,684.96	-9,596,406.44	75,430,684.96
(i) Withdrawal of surplus reserves														
(ii) Withdrawal of general risk reserves														
(iii) Profit distribution to shareholders									287,272,735.37	-287,272,735.37				
(iv) 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 December 31, 2024	2,926,209,589.00			1,267,468,110.48			98,947,549.31		4,509,067,403.87	13,260,933.32	13,489,875,536.21	22,204,829,222.19	597,156,477.65	22,896,985,699.84

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

Legal Representative: Bo Jiang

Chief Accountant: Xianqing Liu

Accountant in Charge: Wei Zheng

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE PARENT COMPANY

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

Items	Year 2025										Total shareholders' equity
	Share capital	Preferred stock	Perpetual bonds	Other equity instruments	Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	
I. Balance as at December 31, 2024	2,926,209,589.00				1,366,207,124.26		113,265,760.25		4,503,561,211.67	9,265,084,043.12	18,174,327,728.30
Plus: Changes in accounting policies											
Correction of accounting errors in prior periods											
Others											
II. Balance as at January 1, 2025	2,926,209,589.00				1,366,207,124.26		113,265,760.25		4,503,561,211.67	9,265,084,043.12	18,174,327,728.30
III. Increase/decrease in 2025 ("—" for decreases)							41,268,230.85		362,369,369.45	859,044,100.00	1,262,681,700.30
(1) Total comprehensive income							41,268,230.85			1,920,777,561.21	1,962,045,792.06
(2) Capital contributed or reduced by shareholders											
(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											
(i) Withdrawal of surplus reserves									362,369,369.45	-1,061,733,461.21	-699,364,091.76
(ii) Profit distribution to shareholders									362,369,369.45	-362,369,369.45	
(iii) Others										-699,364,091.76	-699,364,091.76
(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 2025											
(ii) Amount used in 2025											
(6) Others											
IV. Balance as at December 31, 2025	2,926,209,589.00				1,366,207,124.26		154,533,991.10		4,865,930,581.12	10,124,128,143.12	19,437,009,428.60

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

Legal Representative: Bo Jiang

Chief Accountant: Xianqing Liu

Accountant in Charge: Wei Zheng

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE PARENT COMPANY

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

Items	Year 2024										
	Share capital	Preferred stock	Perpetual bonds	Others	Capital reserves	Less: treasury stock	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total shareholders' equity
I. Balance as at December 31, 2023	2,926,209,589.00				1,298,570,506.29		-34,440,759.56		4,216,288,476.30	8,317,634,179.46	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	2,926,209,589.00				1,298,570,506.29		-34,440,759.56		4,216,288,476.30	8,317,634,179.46	16,724,261,991.49
III. Increase/decrease in 2024 ("+" for increases)					67,636,617.97		147,706,519.81		287,272,735.37	947,449,863.66	1,450,065,736.81
(1) Total comprehensive income							147,706,519.81			1,702,916,133.27	1,850,622,653.08
(2) Capital contributed or reduced by shareholders											
(i) Common stock contributions by shareholders					67,636,617.97						67,636,617.97
(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					67,636,617.97				287,272,735.37	-755,466,269.61	67,636,617.97
(i) Withdrawal of surplus reserves									287,272,735.37	-287,272,735.37	-468,193,534.24
(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 December 31, 2024	2,926,209,589.00				1,366,207,124.26		113,265,760.25		4,503,561,211.67	9,265,084,043.12	18,174,327,728.30

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

Legal Representative: Bo Jiang

Chief Accountant: Xianqing Liu

Accountant in Charge: Wei Zheng

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

1 COMPANY PROFILE

TravelSky Technology Limited (hereinafter referred to as the “**the Company**” or “**Company**”) was incorporated in Beijing, the People’s Republic of China on October 18, 2000, with offering of 577,303,500 shares at the time of establishment, par value of RMB1.00 per share, and totaled share capital of RMB577,303,500.00.

On February 7, 2001, the Company completed its initial offering of H shares of 310,854,000 shares (par value of RMB1.00 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 general meeting and class shareholders’ meeting of the Company, the Company approved to distribute bonus at RMB1.00 par value per share to shareholders with the capital reserves-equity premiums of RMB888,157,500.00, with one bonus share for each existing share held, 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 (par value of RMB1.00 per share) to China TravelSky Holding Company Limited (formerly known as China TravelSky Holding Company, hereinafter referred to as “**CTH**”) as all equities of China Accounting Center of China Aviation Limited Company (hereinafter referred to as “China Aviation Accounting”) acquired by the Company from CTH of all equity interests in China Aviation Settlement Co., Ltd. and the consideration for property (hereinafter referred to as “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.

In accordance with the resolution of the annual general meeting on June 28, 2011, the Company was approved to, by RMB975,403,196.00 by way of allocation of its reserves and retained earnings to capital, increase its share capital 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 December 31, 2025, the Company cumulatively issued share capital was 2,926,209,589 shares, and the registered share capital was RMB2,926,209,589.00.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
 (Amounts are expressed in RMB unless otherwise stated.)

1 COMPANY PROFILE (CONTINUED)

The existing unified social credit code: 9111000071092729XP. Registered office: No. 7 Yumin Street, Houshayu Town, Shunyi District, Beijing. Legal representative: Jiang Bo (changed on January 12, 2026.)

The Company's business scope includes: Permitted items: Internet information service business. (Projects that require approval according to law can only be carried out with the approval of relevant departments. Specific business projects shall be subject to the approval documents or licenses of relevant departments). General business items: Industrial Internet data services; digital technology services; Internet data services; network technology services; computer software, hardware and peripheral equipment manufacturing; computer software, hardware and auxiliary equipment wholesale; computer software, hardware and auxiliary equipment retail; software development; technical services, technology development, Technical consultation, technology exchange, technology transfer, technology promotion; information technology consulting services; computer system services; information system operation and maintenance services; communication equipment sales; leasing services (excluding licensed leasing services); software sales; cloud computing equipment sales; Network equipment sales; technology import and export; goods import and export; information consulting services (excluding licensing information consulting services); information system integration services; intelligent control system integration. (The Company may independently choose business items and conduct business activities in accordance with the law) (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 targets airlines, airports, ticket sales agents, tourism companies, civil aviation-related institutions and international organizations, and provides a full range of air passenger business processing, air travel electronic distribution, airport passenger processing, air cargo data processing, Internet travel platforms, international and domestic Passenger and freight revenue management system applications and agency settlement and clearing services.

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 "the Group".

The financial statements have been approved by the Company's board of directors on March 26, 2026.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 are also in compliance with the applicable disclosure provisions of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited, as well as 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 December 31, 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 year then ended 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.4 Functional currency**

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

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 combinee), 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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****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 return of the investee by using the power over the investee.

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, adjustments are made in accordance with the Company's accounting policies and accounting periods when preparing the consolidated financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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****① General treatment methods**

When the Company loses 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 THE FINANCIAL STATEMENTS

For the year ended December 31, 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; and/or
- 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 THE FINANCIAL STATEMENTS

For the year ended December 31, 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**

As for foreign currency transactions of the Company, the amounts of these transactions are translated into RMB at the spot exchange rate on the day when these transactions occur.

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 THE FINANCIAL STATEMENTS

For the year ended December 31, 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 "retained earnings", 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.

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

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;
- 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.

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3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.9 Financial instruments (Continued)****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.

(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.

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For the year ended December 31, 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)*****(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.

(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.

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For the year ended December 31, 2025
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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)****(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.

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.

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(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)**

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.

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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. Unobservable input values may be used only when observable input values are unavailable or impractical to obtain.

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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 and financial assets (debt instruments) measured at fair value through other comprehensive income, and financial guarantee contracts on an expected credit loss basis.

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 chooses to 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.

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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.

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).

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(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 balance of other receivables mainly includes: The payment by the Company's wholly owned subsidiary, China Aviation Accounting Co., Ltd. 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 China Aviation Accounting Co., Ltd. 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 Company's inventories are measured using the specific identification method when shipped.

3.10.3 Inventory system

Perpetual inventory system is adopted.

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) Reusable packaging materials are amortized into cost and expenses over their expected usage times.

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For the year ended December 31, 2025
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3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.10 Inventories (Continued)****3.10.5 Recognition standards and accrual methods for inventory depreciation provisions**

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.

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 impairment of financial assets”, for the determination method and accounting treatment for the expected credit loss of contract assets.

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3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****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.

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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.

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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. If it is possible to control an investee under the same control due to additional investment or other reasons, the initial investment cost of the long-term equity investment confirmed according to the above principles shall be equal to the book value of the long-term equity investment before the merger plus the new consideration paid for further shares acquired on the merger date. The difference between the sum of the book values shall be adjusted to the equity premium. If the equity premium is insufficient to offset, the retained earnings shall be offset.

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. If it is possible to exercise control over an investee that is not under the same control due to additional investment or other reasons, the initial investment cost shall be the sum of the book value of the original equity investment plus the cost of the new investment.

(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.

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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****(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.

(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.

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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)**

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.

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.

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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.

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(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 part replaced, the book value thereof is derecognized; all other subsequent expenditures are included in the current profit or loss when they occur.

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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 (Year)	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 and 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 THE FINANCIAL STATEMENTS

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(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.

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For the year ended December 31, 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

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

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 3 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.

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For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.17 Borrowing costs (Continued)****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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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 (Amounts are expressed in RMB unless otherwise stated.)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.18 Intangible assets (Continued)****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 resource	3 – 5 years	straight-line	0.00	Period of benefit
Land use right	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.

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.

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3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.18 Intangible assets (Continued)****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; and
- (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.

3.19 Impairment of long-term assets

Where there are signs of impairment on long-term assets, such as long-term equity investments, investment properties measured with cost model, fixed assets, construction in progress, right-of-use assets and oil and gas assets with definite useful lives, on the balance sheet date, the impairment test should be made. Where the result of the impairment test shows that the recoverable amount of the asset is lower than book value, the provision for impairment should be made and included in impairment loss. The recoverable amount of the asset is the higher of the net amount of its fair valueless disposal expenses or the present value of its estimated future cash flows. Provision for asset impairment is made on individual asset basis. If it is difficult to estimate the recoverable amount of the individual asset, the Company will estimate the recoverable amount of the asset portfolio where the individual asset belongs. Asset portfolio is the smallest one that can independently generate cash inflows.

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.

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(Amounts are expressed in RMB unless otherwise stated.)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

3.19 Impairment of long-term assets (Continued)

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.

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. Contract assets and contract liabilities under the same contract should be presented at net amount.

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3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****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 cost of social insurance and housing fund paid by Company for employees and the labor union cost and employee education costs provided by the Company in accordance with provisions shall, in the accounting period, during which the service is provided by employees for enterprises, be used to calculate corresponding amount of employee benefits according to the stipulated provision basis and proportion.

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.

(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.

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For the year ended December 31, 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 (Continued)**

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 THE FINANCIAL STATEMENTS

For the year ended December 31, 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.

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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.

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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.

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(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.

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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.

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.

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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. 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.

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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.

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(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 revenue);

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 THE FINANCIAL STATEMENTS

For the year ended December 31, 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:

- Initial recognition of goodwill;
- Transactions or matters that neither belong to the business combination nor affect the accounting profit and taxable income (or deductible loss) when they occur, and that do not give rise to equal amounts of taxable temporary differences and deductible temporary differences upon initial recognition of the assets and liabilities.

For the taxable temporary differences related to the investments in subsidiaries, associates and joint ventures, the deferred tax liabilities should be recognized, unless that the timing of the reversal of the temporary differences is able to be controlled by the Company and the temporary differences will be probable not to be reversed in the foreseeable future. For deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the deductible temporary differences can be used, the deferred tax asset will be recognized.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 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 THE FINANCIAL STATEMENTS

For the year ended December 31, 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-of-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 THE FINANCIAL STATEMENTS

For the year ended December 31, 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.

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For the year ended December 31, 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 when it is brand new 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 THE FINANCIAL STATEMENTS

For the year ended December 31, 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.

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(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.

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(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)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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(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**

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.

(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.

After the commencement date of the lease term, for subsequent measurement of the right-of-use assets and lease liabilities and lease modifications, please refer to “3.29.1 The Company as lessee” in this note. In the subsequent measurement of lease liabilities arising from the sale-leaseback, the Company’s method of determining lease payments or modified lease payments does not result in the recognition of gains or losses related to the right of use retained in 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 3.29.1 The Company as lessee” for the accounting treatment for financial liabilities.

(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.

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For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****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.

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".

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For the year ended December 31, 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 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 difference between the book value of the debt repaid and the sum of the book value of the transferred assets and the recognized amounts of the equity instruments and restructured debts shall be included in the current profit or loss.

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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 Key accounting policies and accounting estimates**3.32.1 Estimated 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 account 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.

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(Amounts are expressed in RMB unless otherwise stated.)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.32 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*****Implementation of the Implementation Q&A on Financial Instruments Standard regarding the accounting treatment of standard warehouse receipt transactions***

On July 8, 2025, the Ministry of Finance issued the Implementation Q&A on the accounting treatment of standard warehouse receipt transactions, which clearly stipulates that, in accordance with the Financial Instruments Recognition and Measurement Standard, if an enterprise frequently enters into contracts for the purchase and sale of standard warehouse receipts on a futures exchange to earn price differentials and does not take physical delivery of the commodities underlying the standard warehouse receipts, it generally indicates that the enterprise has a practice of receiving the subject matter of the contract and selling it again within a short period to profit from short-term fluctuations. The enterprise shall treat the contracts it enters into for the purchase and sale of standard warehouse receipts as financial instruments and account for them in accordance with the Financial Instruments Recognition and Measurement Standard. If an enterprise, after obtaining standard warehouse receipts in accordance with the aforementioned contractual terms, sells them within a short period, it shall not recognize sales revenue, but shall instead recognize the difference between the consideration received and the carrying amount of the standard warehouse receipts sold in investment income; if the enterprise holds standard warehouse receipts that have not yet been sold at the end of the period, they shall be presented as other current assets. For standard warehouse receipts obtained in accordance with the aforementioned contractual terms, if they can eliminate or significantly reduce an accounting mismatch, the enterprise may, at initial recognition, elect to measure them at fair value through profit or loss, and shall apply this election consistently to all standard warehouse receipts that meet the election criteria. For standard warehouse receipts that have been elected to be measured at fair value through profit or loss at initial recognition, the enterprise shall not revoke such election in subsequent periods.

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 (Amounts are expressed in RMB unless otherwise stated.)

3 PRINCIPAL ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**(CONTINUED)****3.33 Changes in significant accounting policies and accounting estimates and correction of errors (Continued)****3.33.1 Changes in significant accounting policies (Continued)*****Implementation of the Implementation Q&A on Financial Instruments Standard regarding the accounting treatment of standard warehouse receipt transactions (Continued)***

In accordance with the requirements of the "Notice on Strictly Implementing Enterprise Accounting Standards and Effectively Preparing Enterprises' 2025 Annual Report" (Cai Kuai [2025] No. 33), if an enterprise adjusts its accounting treatment as a result of implementing the aforementioned provisions relating to standard warehouse receipts, it shall adjust the information for the comparable periods in the financial statements. The implementation of this provision has no material impact on the Company's financial statements.

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

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4 TAXATION (CONTINUED)**4.1 Major tax types and tax rates (Continued)****4.1.1 During the reporting period, VAT rates adopted by the Company and its subsidiaries are**

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
Civil Aviation Cares Technology of Xinjiang 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 Ltd.	13.00, 6.00, 5.00
China Aviation Accounting Co., Ltd.	6.00
Beijing AsiaTech Payment Technology 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

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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**

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
Civil Aviation Cares Technology of Xinjiang 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
China Aviation Accounting Co., Ltd. (Remark 1)	15.00
Beijing AsiaTech Payment Technology Co., Ltd.	25.00
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. (Remark 1)	15.00
Zhejiang TravelSky Technology Limited	25.00
Guangzhou Skyecho Information Technology Co., Ltd. (Remark 3)	20.00
TravelSky Digital Intelligence Technology (Beijing) Co., Ltd. (Remark 1)	15.00
Inner Mongolia TravelSky Technology Limited	25.00
TravelSky Technology International Limited	8.25, 16.50
TravelSky Technology (Singapore) Pte. Ltd.	17.00
OpenJaw Technologies Limited	12.50

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 (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, China Aviation Accounting Co., Ltd., TravelSky Yunzhi Technology (Beijing) Co., Ltd., TravelSky Digital Intelligence Technology (Beijing) 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 principal businesses of Chongqing Civil Aviation Cares Information Technology Co., Ltd. and Xi'an Civil Aviation Cares Technology Co., Ltd. fall under Item 1 of Category 26 (Encouraged Industries) in the Catalogue for the Guidance of Industrial Structure Adjustment (2024 Edition), namely "Development and Construction of Aviation Computer Management and Its Network Systems". Accordingly, the companies are eligible for the 15% preferential corporate income tax policy for the Western Development Strategy.

Remark 3: In accordance with the provisions of the Announcement on Tax and Fee Policies to Further Support the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households (Announcement No. 12 of 2023 issued by the Ministry of Finance and the State Taxation Administration), the policy for small low-profit enterprises of calculating taxable income at a reduced rate of 25% and paying corporate income tax at a tax rate of 20% shall be extended to December 31, 2027. In the current period, Shanghai TravelSky Technology Limited, TravelSky Cares (Beijing) Real Estate Co., Ltd. Guangzhou Skyecho Information Technology Co., Ltd. meet the three conditions simultaneously, namely taxable income not exceeding 3 million yuan, number of employees not exceeding 300 people, and total assets not exceeding 50 million yuan, and are applicable to calculate taxable income at a reduced rate of 25% and pay corporate income tax at a tax rate of 20%.

4.2 Tax incentives**4.2.1 High and New Technology Enterprise**

According to the Enterprise Income Tax Law of the People's Republic of China (the "CIT Law"), the statutory income tax rate for Chinese companies is normally 25%. Pursuant to the relevant regulations, enterprises recognized as "High and New Technology Enterprises" are entitled to a preferential enterprise income tax rate of 15% under the CIT Law. The Company has been recognized as a "high-tech enterprise" since its inception, and has subsequently been reexamined for renewal of its "high-tech enterprise" status in accordance with the relevant regulatory requirements. The latest application for re-designation was completed in fiscal year 2023, and in accordance with the relevant regulatory requirements, the Company has accrued for corporate income tax expense for fiscal year 2025 at a preferential tax rate of 15%.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

4 TAXATION (CONTINUED)**4.2 Tax incentives (Continued)****4.2.2 Key software enterprises**

Except that enterprises that have been assessed as high and new technology enterprises may enjoy the preferential income tax rate of 15%, enterprises assessed as key software enterprises within the national planning layout by relevant authorities 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 income statement for the current period when it occurs.

In the year of 2024, the Company has submitted an application for a 10% preferential tax rate for key software enterprises to relevant authorities and obtained approval.

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

Item	As at December 31, 2025	As at December 31, 2024
Cash on hand	1,132.61	10,958.18
Digital currency	3,072,386.73	2,931,986.43
Cash at bank	9,976,798,045.45	10,526,620,052.36
Other cash and cash equivalents	79,145,929.94	19,423,499.70
Total	10,059,017,494.73	10,548,986,496.67
Including: The total amount deposited abroad	305,071,639.92	242,971,928.71
Money deposited abroad and with restrictions on fund repatriation		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.2 Financial assets held for trading**

Item	As at December 31, 2025	As at December 31, 2024
Financial assets measured at fair value through the current profit or loss	3,414,508,219.18	2,218,192,945.21
Including: Debt instrument investments	3,414,508,219.18	2,218,192,945.21
Total	3,414,508,219.18	2,218,192,945.21

Note: Debt instrument investments represent the structured bank deposits (floating returns) held by the Group issued by Bank of Beijing Co., Ltd., China Everbright Bank Co., Ltd., Ping An Bank Co., Ltd. and Industrial Bank Co., Ltd. The annual interest rate of such structured deposits ranges from 0.45% to 2.40% with a maturity period of 90 to 185 days, and they are non-revocable prior to maturity.

5.3 Notes receivable**5.3.1 Breakdown of the notes receivable**

Item	As at December 31, 2025	As at December 31, 2024
Bank acceptance bills	248,143,157.49	176,809,848.52
Commercial acceptance bills		100,575,175.27
Less: Provision for bad debts		8,266,130.25
Total	248,143,157.49	269,118,893.54

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.3 Notes receivable (Continued)****5.3.2 Disclosure of notes receivable under the methods of provision for bad debts by category**

Category	As at December 31, 2025					As at December 31, 2024				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
			Proportion					Proportion		
	Amount	(%)	Amount	(%)	Book value	Amount	(%)	Amount	(%)	Book value
Provision for bad debts accrued on an individual basis										
Provision for bad debts on portfolio basis of credit risk characteristics	248,143,157.49	100.00			248,143,157.49	277,385,023.79	100.00	8,266,130.25	2.98	269,118,893.54
Total	248,143,157.49	100.00			248,143,157.49	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 December 31, 2025		
	Notes receivable	Provision for bad debts	Proportion of provision (%)
Bank acceptance bills	248,143,157.49		
Total	248,143,157.49		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 December 31, 2025
		Provision	Reversal or recovery	Write-off or charge-off	Other changes	
Commercial acceptance bills	8,266,130.25	-8,266,130.25				
Total	8,266,130.25	-8,266,130.25				

5.3.4 Notes receivable pledged as at December 31, 2025

None.

5.3.5 Notes receivable endorsed or discounted but undue as at December 31, 2025

None.

5.3.6 Notes receivable actually written off in the current period

None.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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)

Aging	As at December 31, 2025	As at December 31, 2024
Within 1 year	4,023,101,970.17	4,364,620,502.58
Including: Subitem within 1 year		
Within 6 months	2,910,511,722.04	3,226,636,111.47
7 – 12 months	1,112,590,248.13	1,137,984,391.11
1 – 2 years	1,317,645,129.60	886,220,736.59
2 – 3 years	205,302,425.07	402,295,600.60
3 – 4 years	341,227,634.11	73,320,330.14
4 – 5 years	15,335,709.41	118,265,867.07
Over 5 years	276,862,558.39	216,073,340.60
Sub-total	6,179,475,426.75	6,060,796,377.58
Less: Provision for bad debts	1,072,562,011.77	1,101,521,334.95
Total	5,106,913,414.98	4,959,275,042.63

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

Category	As at December 31, 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	903,581,424.16	14.62	530,110,131.54	58.67	373,471,292.62	991,090,927.04	16.35	678,930,799.02	68.50	312,160,128.02
Provision for bad debts on portfolio basis of credit risk characteristics	5,275,894,002.59	85.38	542,451,880.23	10.28	4,733,442,122.36	5,069,705,450.54	83.65	422,590,535.93	8.34	4,647,114,914.61
Total	6,179,475,426.75	100.00	1,072,562,011.77		5,106,913,414.98	6,060,796,377.58	100.00	1,101,521,334.95		4,959,275,042.63

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 December 31, 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	184,496,534.62	184,496,534.62	100.00	Poor financial position	183,048,986.24	183,048,986.24
Customer 2	159,925,542.87	151,310,185.45	94.61	Poor financial position	152,324,888.49	136,008,394.28
Customer 3	322,201,696.30	71,063,666.42	22.06	Poor financial position	365,284,128.99	155,618,574.91
Customer 4	71,665,376.40	34,870,718.93	48.66	Poor financial position	62,246,713.30	34,005,774.28
Customer 5	19,981,414.06	19,981,414.06	100.00	Poor financial position	20,485,816.45	20,485,816.45
Customer 6	11,582,743.96	11,582,743.96	100.00	Poor financial position	11,875,133.88	11,875,133.87
Customer 7	7,860,786.21	7,860,786.21	100.00	Poor financial position	1,070,224.35	1,070,224.35
Customer 8	32,225,845.18	7,800,568.47	24.21	Poor financial position	54,790,349.25	39,282,877.72
Customer 9	5,683,608.87	5,683,608.87	100.00	Poor financial position	6,116,277.54	4,803,005.09
Customer 10	9,865,437.48	5,518,344.98	55.94	Poor financial position	11,733,595.39	3,897,090.03
Other companies	78,092,438.21	29,941,559.57			122,114,813.16	88,834,921.80
Total	903,581,424.16	530,110,131.54			991,090,927.04	678,930,799.02

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 on portfolio basis of credit risk characteristics:

Item accrued on a portfolio basis:

Name	As at December 31, 2025		
	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Accounts receivable from related parties	3,111,360,553.48		
Accounts receivable from third parties	2,164,533,449.11	542,451,880.23	25.06
Total	5,275,894,002.59	542,451,880.23	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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**

Category	As at December 31, 2024	Changes in the current period				As at December 31, 2025
		Provision	Reversal or recovery	Write-off or charge off	Exchange rate changes	Reclassification adjustment
Provision for bad debts accrued on an individual basis	678,930,799.02	-125,673,023.77	22,363,705.84		-889,937.87	106,000.00
Provision for bad debts accrued on a portfolio basis	422,590,535.93	120,981,915.22		903,210.22	-111,360.70	-106,000.00
Total	1,101,521,334.95	-4,691,108.55	22,363,705.84	903,210.22	-1,001,298.57	1,072,562,011.77

Of which, significant amounts of provision for bad debts recovered or reversed in the current period:

Name of entity	Amount recovered or reversed	Reason for reversal	Method of recovery	Basis for determining the original provision for bad debts and its reasonableness
Customer A	9,868,740.00	Won the case in the second instance, and the counterparty made payment in accordance with the judgment	Cash collection	Claim dismissed in the first instance
Customer B	9,668,871.67	The counterparty made payment in the current period	Cash collection	Deterioration of operating conditions
Customer C	1,024,150.94	Collection of amounts	Cash collection	Operational difficulties leading to suspension of operations
Total	20,561,762.61			

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.4 Accounts receivable (Continued)****5.4.4 Accounts receivable actually charged off in 2025**

Item	Amount write off
Accounts receivable actually write off	903,210.22

5.4.5 Top five of accounts receivable as at December 31, 2025, presented by debtors

The sum amount of top five of accounts receivable and contract assets presented by debtors is RMB2,605,967,044.23, accounting for 41.54% of the ending balance of accounts receivable and contract assets, and the corresponding ending balance of provision for bad debts is RMB232,745,553.65.

5.5 Advances to suppliers**5.5.1 Presentation of advances to suppliers by aging**

Aging	As at December 31, 2025		As at December 31, 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	194,416,191.78	87.40	44,962,624.09	58.73
1 to 2 years	9,111,746.99	4.10	21,064,290.23	27.51
2 to 3 years	9,987,327.88	4.49	1,996,868.86	2.61
Over 3 years	8,913,697.72	4.01	8,538,165.42	11.15
Sub-total	222,428,964.37	100.00	76,561,948.60	100.00
Less: Provision for bad debts	3,562,755.57		3,562,755.57	
Total	218,866,208.80	100.00	72,999,193.03	100.00

5.5.2 Prepayments to top five suppliers by ending balance

The total amount of prepayments to the top five suppliers by concentration of ending balance is RMB85,370,547.31, accounting for 38.38% of the total ending balance of prepayments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.6 Other receivables**

Item	As at December 31, 2025	As at December 31, 2024
Interest receivable		
Dividends receivable	5,500,000.00	5,110,000.00
Other receivables	2,848,137,688.95	2,095,113,581.75
Total	2,853,637,688.95	2,100,223,581.75

5.6.1 Dividends receivable*Details of dividends receivable*

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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

(1) Disclosure by aging

Aging	As at December 31, 2025	As at December 31, 2024
Within 1 year	2,746,209,771.34	1,965,319,760.16
Including: Subitem within 1 year		
Within 6 months	2,717,621,136.75	1,959,444,577.02
7 – 12 months	28,588,634.59	5,875,183.14
1 – 2 years	29,403,878.45	76,558,080.75
2 – 3 years	40,603,953.06	11,133,258.21
3 – 4 years	7,122,357.60	24,067,059.13
4 – 5 years	9,715,072.60	8,445,938.04
Over 5 years	15,190,043.17	9,696,872.73
Sub-total	2,848,245,076.22	2,095,220,969.02
Less: Provision for bad debts	107,387.27	107,387.27
Total	2,848,137,688.95	2,095,113,581.75

(2) Disclosure of other receivables under the methods of provision for bad debts by category

Category	As at December 31, 2025				As at December 31, 2024				
	Book balance		Provision for bad debts		Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)	Book value
Provision for bad debts accrued on an individual basis									
Provision for bad debts on portfolio basis of credit risk characteristics	2,848,245,076.22	100.00	107,387.27		2,848,137,688.95		2,095,220,969.02	100.00	2,095,113,581.75
Total	2,848,245,076.22	100.00	107,387.27		2,848,137,688.95		2,095,220,969.02	100.00	2,095,113,581.75

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 (Continued)**

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

Item accrued on a portfolio basis:

Name	As at December 31, 2025		
	Other receivables	Provision for bad debts	Proportion of provision (%)
Related-partie	1,939,299,925.83	107,387.27	0.01
Third-parties	908,945,150.39		
Total	2,848,245,076.22	107,387.27	

(3) Provision for bad debts

	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		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				
Write-off in 2025				
Charge-off in 2025				
Other changes				
Balance as at December 31, 2025		107,387.27		107,387.27

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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)****(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 December 31, 2025
		Provision	Reversal or recovery	Write off or charge off	
Accrued on a portfolio basis	107,387.27				107,387.27
Total	107,387.27				107,387.27

(5) Classification of other receivables by the nature of payment

Nature	As at December 31, 2025	As at December 31, 2024
Various margin, deposit and loan of reserve fund	29,301,478.42	26,484,314.30
Current loan	81,300,335.52	110,205,380.07
Settlement and clearing payments	1,413,903,392.27	1,118,645,018.23
Factoring receivables	1,323,739,870.01	839,886,256.42
Total	2,848,245,076.22	2,095,220,969.02

(6) Analysis of other receivables by debtor – top five by ending balance

The total amount of other receivables due from the top five debtors by ending balance is RMB1,073,787,444.52, accounting for 37.70% of the total ending balance of other receivables, and the corresponding ending balance of provision for bad debts is RMB0.00.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.7 Inventories****Classification of inventories**

Item	As at December 31, 2025			As at December 31, 2024		
	Book balance	Provision for depreciation/ costs	Book value	Book balance	Provision for depreciation/ costs	Book value
Merchandise inventories	35,655,440.37		35,655,440.37	44,299,211.12		44,299,211.12
Contract performance cost	43,840,837.91		43,840,837.91	37,387,581.50		37,387,581.50
Total	79,496,278.28		79,496,278.28	81,686,792.62		81,686,792.62

5.8 Contract assets**5.8.1 Contract assets**

Item	As at December 31, 2025			As at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Airport digitalization service etc.	94,575,700.93	18,832,727.55	75,742,973.38	73,812,464.11	29,811,611.84	44,000,852.27
Total	94,575,700.93	18,832,727.55	75,742,973.38	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
Airport digitalization service etc.	20,763,236.82	Increase due to change in measurement of progress in compliance
Total	20,763,236.82	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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

Category	As at December 31, 2025					As at December 31, 2024				
	Book balance	Provision for bad debts		Provision for bad debts		Book balance	Provision for bad debts		Provision for bad debts	
	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value	Amount	Proportion (%)	Amount	Proportion of provision (%)	Book value
Provision for impairment accrued on an individual basis	5,659,207.36	5.98	5,036,966.12	89.00	622,241.24	20,700,014.89	28.04	20,700,014.89	100.00	
Provision for impairment loss on portfolio basis of credit risk characteristics	88,916,493.57	94.02	13,795,761.43	15.52	75,120,732.14	53,112,449.22	71.96	9,111,596.95	17.16	44,000,852.27
Total	94,575,700.93	100.00	18,832,727.55		75,742,973.38	73,812,464.11	100.00	29,811,611.84		44,000,852.27

Provision for impairment accrued on an individual basis:

Name	Balance as at December 31, 2025				Balance as at December 31, 2024	
	Contract assets	Provision for impairment	Proportion of provision (%)	Reasons for accrual	Contract assets	Provision for impairment
Customer D	5,036,966.12	5,036,966.12	100.00	Calculated based on discounted cash flows of repayments from HNA Group entities	20,702,514.89	20,702,514.89
Customer E	622,241.24			Debt restructuring		
Total	5,659,207.36	5,036,966.12			20,702,514.89	20,702,514.89

Provision for impairment loss on portfolio basis of credit risk characteristics:

Item accrued on a portfolio basis:

Name	Balance as at December 31, 2025		
	Contract assets	Provision for impairment	Proportion of provision (%)
Third-parties	83,482,022.96	13,795,761.43	16.53
Related-parties	5,434,470.61		
Total	88,916,493.57	13,795,761.43	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)**5.8 Contract assets (Continued)****5.8.4 Provision for impairment of contract assets in 2025**

Item	Balance as at December 31, 2024	Provision in 2025	Reversal in 2025	Write-off/ charge-off in 2025	Other changes	Balance as at December 31, 2025
Provision for impairment assessed on an individual basis	20,700,014.89	2,500.00	15,665,548.77			5,036,966.12
Provision for impairment assessed on a portfolio basis	9,111,596.95	4,711,710.81	6,594.83		-20,951.50	13,795,761.43
Total	29,811,611.84	4,714,210.81	15,672,143.60		-20,951.50	18,832,727.55

5.9 Non-current assets maturing within one year

Item	As at December 31, 2025	As at December 31, 2024
Time deposits and interest maturing within one year	545,671,917.81	
Total	545,671,917.81	

Note: The Group holds RMB time deposit certificates with China Construction Bank, with an annual interest rate of 3.1% and a term of 1,097 days, which are irrevocable before maturity.

5.10 Other current assets

Item	As at December 31, 2025	As at December 31, 2024
Debt investments due within one year (Note 1)	1,000,175,102.74	
Time deposits with original maturity within one year and accrued interest (Note 2)	50,179,277.79	50,357,638.88
Input VAT to be deducted	227,022,499.57	141,482,016.86
Prepaid taxes	8,687,303.42	11,887,728.24
Total	1,286,064,183.52	203,727,383.98

Note 1: The debt investments represent the Group's holdings in 7-day reverse repurchase agreements of government bonds, with a principal amount of RMB1,000,000,000.00 and an annualized interest rate of 2.10%.

Note 2: The Group holds one-year time deposit certificates with Bank of Communications, with a principal amount of RMB50,000,000.00, an annual interest rate of 1.4%, and a term of 365 days.

NOTES TO THE FINANCIAL STATEMENTS

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(Amounts are expressed in RMB unless otherwise stated.)

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

5.11 Long-term equity investments

5.11.1 Long-term equity investments

Investee	As at December 31, 2024	Balance of provision for impairment as at December 31, 2024	Increase/decrease in 2025						As at December 31, 2025	Balance of provision for impairment as at December 31, 2025
			Increase in investments	Decrease in investments	Gain/loss on investments recognized under equity method	Adjustment to other comprehensive income	Change in other equity change	Cash dividends or profits declared to be distributed Provision for impairment Others		
1. Joint ventures										
Heilongjiang TravelSky Airport Network Co., Ltd.	26,353,430.47				3,917,051.76			1,000,000.00	29,270,482.23	
Dalian TravelSky Airport Network LLC	26,365,554.68				3,105,883.13			5,000,000.00	24,471,437.81	
Hebei TravelSky Airport Network Co., Ltd.	15,926,740.70				1,979,634.11			1,000,000.00	16,906,374.81	
Xinjiang TravelSky E-surfing Science and Technology Co., Ltd.	31,548,971.16				9,404,606.29			5,000,000.00	35,953,577.45	
Yunnan TravelSky Airport Network Co., Ltd.	117,000,426.96				6,892,436.96			1,500,000.00	122,392,863.92	
Sub-total	217,195,123.97				25,299,612.25			13,500,000.00	228,994,736.22	
2. Associates										
Beijing TravelSky Birun Technology Co., Ltd.	61,237,607.23				7,103,292.24				68,340,899.47	
TravelSky Mobile Technology Co., Ltd.	252,754,446.41				-11,454,302.79				241,300,143.62	
Shanghai Civil Aviation East China Cares System Integration Co., Ltd.	94,315,008.91				1,905,428.47	467,210.85		2,050,000.00	94,637,648.23	
Shenyang Civil Aviation Northeast Cares Co., Ltd.	164,649,228.86				14,757,618.66			2,861,200.00	176,545,647.52	
Chengdu Civil Aviation Southwest Cares Co., Ltd.	94,656,368.59				11,651,467.05			2,601,800.00	103,706,035.64	
Guangzhou Skyecho Information Technology Co., Ltd.	6,946,968.81				655,609.85			600,000.00	7,002,578.66	
Yantai TravelSky Airport Network Co., Ltd.	8,120,352.65				757,527.03			1,440,000.00	7,437,879.68	
Sub-total	682,679,981.46				25,376,640.51	467,210.85		9,553,000.00	698,970,832.82	
Total	899,875,105.43				50,676,252.76	467,210.85		23,053,000.00	927,965,569.04	

Note: In June 2025, the Company completed the transfer of its entire equity interest in Shanghai Tiantong Business Travel Agency Co., Ltd. through the Beijing Equity Exchange, with equity transfer proceeds of RMB121,003.02 and related transaction costs of RMB5,708.49.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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	Additional investment	Reduction of investment	Profit recognized in other comprehensive income for the period	Loss charged to other comprehensive income for the period	Other	As at December 31, 2025	Dividend income recognized during the period	Accumulated profit in other comprehensive income at the end of the period	Accumulated losses in other comprehensive income at the end of the period	Reasons for designation as at fair value through other comprehensive income
China Merchants RenHe Life Insurance Company Limited	1,004,312,400.00			48,001,200.00			1,052,313,600.00		177,313,600.00		The Company does not intend to hold the investment for trading purposes.
Total	1,004,312,400.00			48,001,200.00			1,052,313,600.00		177,313,600.00		

5.13 Other non-current financial assets

Item	As at December 31, 2025	As at December 31, 2024
Financial assets measured at fair value through the current profit or loss	1,116,357,687.34	1,017,411,627.32
Including: Equity instrument investments	1,116,357,687.34	1,017,411,627.32
Total	1,116,357,687.34	1,017,411,627.32

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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, 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	139,903,454.78	2,858,571.10	142,762,025.88
– Transfer from fixed assets	139,903,454.78		139,903,454.78
– Others		2,858,571.10	2,858,571.10
(3) Decrease in 2025	10,422,577.13		10,422,577.13
– Transfer to self-use	10,422,577.13		10,422,577.13
(4) As at December 31, 2025	271,474,731.12	95,285,700.00	366,760,431.12
2. Accumulated depreciation			
(1) As at December 31, 2024	113,036,635.67	36,413,282.78	149,449,918.45
(2) Increase in 2025	45,379,995.36	5,145,427.90	50,525,423.26
– Provision or amortization	8,597,719.52	2,286,856.80	10,884,576.32
– Transfer from fixed assets	36,782,275.84		36,782,275.84
– Others		2,858,571.10	2,858,571.10
(3) Decrease in 2025	3,033,709.01		3,033,709.01
– Transfer to self-use	3,033,709.01		3,033,709.01
(4) As at December 31, 2025	155,382,922.02	41,558,710.68	196,941,632.70
3. Provision for impairment			
(1) As at December 31, 2024			
(2) Increase in 2025			
(3) Decrease in 2025			
(4) As at December 31, 2025			
4. Book value			
(1) As at December 31, 2025	116,091,809.10	53,726,989.32	169,818,798.42
(2) As at December 31, 2024	28,957,217.80	56,013,846.12	84,971,063.92

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.14 Investment properties (Continued)****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 December 31, 2025	As at December 31, 2024
Fixed assets	2,976,048,895.19	2,783,503,007.16
Disposal of fixed assets	427,913.87	661,525.36
Total	2,976,476,809.06	2,784,164,532.52

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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	45,041,489.84	142,313,077.00	3,713,797.41	846,826,135.74	-437,840,143.63	-23,374,076.34	576,680,280.02
- Purchase		142,313,077.00	3,713,797.41	364,232,957.52	20,637,672.77	294,827.73	531,192,332.43
- Transferred from construction in progress	35,065,370.46						35,065,370.46
- Asset class adjustments	-446,457.75			482,593,178.22	-458,477,816.40	-23,668,904.07	
- Transfer from investment property to self-use	10,422,577.13						10,422,577.13
(3) Decrease in 2025	140,213,395.78		7,472,022.84	12,151,971.77	2,587,511.21	1,277,671.11	163,702,572.71
- Disposal or scrapping	309,941.00		7,460,036.61	12,755,780.84	2,897,704.66	1,258,169.49	24,681,632.60
- Effect of foreign exchange			11,986.23	-603,809.07	-387,083.02	19,501.62	-959,404.24
- Transfer to investment property	139,903,454.78						139,903,454.78
- Transfer to intangible assets					76,889.57		76,889.57
(4) As at December 31, 2025	2,898,790,121.26	923,229,024.13	65,523,668.41	3,600,080,457.78	704,761,799.12	1,586,940.77	8,193,972,011.47
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	98,079,923.98	4,841,718.24	2,444,835.17	622,080,865.97	-425,629,481.53	-21,540,371.48	280,277,490.35
- Provision	95,158,992.06	4,841,718.24	2,444,835.17	159,416,022.12	15,268,197.44	114,016.31	277,243,781.34
- Asset class adjustments	-112,777.09			462,664,843.85	-440,897,678.97	-21,654,387.79	
- Transfer from investment property to self-use	3,033,709.01						3,033,709.01
(3) Decrease in 2025	36,782,275.84		7,541,239.99	11,788,647.55	2,500,603.37	1,232,904.32	59,845,671.07
- Disposal or scrapping			7,539,242.29	12,373,139.17	2,814,146.43	1,217,194.50	23,943,722.39
- Effect of foreign exchange			1,997.70	-584,491.62	-388,125.91	15,709.82	-954,910.01
- Transfer to investment property	36,782,275.84						36,782,275.84
- Transfer to intangible assets					74,582.85		74,582.85
(4) As at December 31, 2025	920,038,725.20	718,252,206.76	53,860,275.95	2,867,813,734.22	643,633,845.49	1,112,155.12	5,204,710,942.74
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 December 31, 2025		6,322,675.59		6,889,497.95			13,212,173.54
4. Book value							
(1) As at December 31, 2025	1,978,751,396.06	198,654,141.78	11,663,392.46	725,377,225.61	61,127,953.63	474,785.65	2,976,048,895.19
(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

5.15.3 Temporarily idle fixed assets

None.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.15 Fixed assets (Continued)****5.15.4 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	137,900,654.78			137,900,654.78
– Transfer to investment property	137,900,654.78			137,900,654.78
(4) As at December 31, 2025	5,990,918.08	5,319,202.87	2,198,230.10	13,508,351.05
2. Accumulated depreciation				
(1) As at December 31, 2024	39,793,121.10	4,991,414.42	221,919.24	45,006,454.76
(2) Increase in 2025	299,545.92	168,212.37	505,643.76	973,402.05
– Provision	299,545.92	168,212.37	505,643.76	973,402.05
(3) Decrease in 2025	34,779,475.84			34,779,475.84
– Transfer to investment property	34,779,475.84			34,779,475.84
(4) As at December 31, 2025	5,313,191.18	5,159,626.79	727,563.00	11,200,380.97
3. Provision for impairment				
(1) As at December 31, 2024				
(2) Increase in 2025				
(3) Decrease in 2025				
(4) As at December 31, 2025				
4. Book value				
(1) As at December 31, 2025	677,726.90	159,576.08	1,470,667.10	2,307,970.08
(2) As at December 31, 2024	104,098,451.76	327,788.45	1,976,310.86	106,402,551.07

5.15.5 Disposal of fixed assets

Item	As at December 31, 2025	As at December 31, 2024
Scrapping of fixed assets to be approved	427,913.87	661,525.36
Total	427,913.87	661,525.36

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.16 Construction in progress****5.16.1 Construction in progress and project materials**

Item	As at December 31, 2025			As at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Construction in progress	18,203,856.24		18,203,856.24	37,609,010.67		37,609,010.67
Project materials						
Total	18,203,856.24		18,203,856.24	37,609,010.67		37,609,010.67

5.16.2 Breakdown of construction in progress

Item	As at December 31, 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)	18,203,856.24		18,203,856.24	13,444,602.60		13,444,602.60
Yuzhuang Second Road Electricity Project				24,164,408.07		24,164,408.07
Total	18,203,856.24		18,203,856.24	37,609,010.67		37,609,010.67

5.16.3 Changes in major items of construction in progress in 2025

Items	Budget	As at December 31, 2024	Transfer			As at December 31, 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
			Increase in 2025	into fixed assets in 2025	Other decreases in 2025							
China Aviation Information Technology Industrial Park Construction Project (Phase II)	938,492,800.00	13,444,602.60	4,759,253.64			18,203,856.24	1.95	1.95%				Own capital
Yuzhuang Second Road Electricity Project	44,290,000.00	24,164,408.07	10,900,962.39	35,065,370.46			79.17	100%				Own capital
Total		37,609,010.67	15,660,216.03	35,065,370.46		18,203,856.24						

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For the year ended December 31, 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**

Items	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	379,362,717.28	63,028.73	379,425,746.01
– New lease	379,241,670.17	63,028.73	379,304,698.90
– Re-evaluation adjustment	121,047.11		121,047.11
(3)Decrease in 2025	119,191,437.70		119,191,437.70
– Expiration of lease	113,053,585.52		113,053,585.52
– Effect of foreign exchange	-1,979,876.17		-1,979,876.17
– Re-evaluation adjustment	1,437,248.32		1,437,248.32
– Disposal	9,050,943.01		9,050,943.01
– Others	-2,370,462.98		-2,370,462.98
(4)As at December 31, 2025	436,858,800.75	98,644.77	436,957,445.52
2. Accumulated depreciation			
(1)As at December 31, 2024	130,645,496.41	4,452.03	130,649,948.44
(2)Increase in 2025	122,060,035.20	32,881.68	122,092,916.88
– Provision	122,047,613.48	32,881.68	122,080,495.16
– Others	12,421.72		12,421.72
(3)Decrease in 2025	105,074,785.10		105,074,785.10
– Expiration of lease	101,491,229.71		101,491,229.71
– Effect of foreign exchange	-1,834,910.37		-1,834,910.37
– Disposal	7,788,928.74		7,788,928.74
– Others	-2,370,462.98		-2,370,462.98
(4)As at December 31, 2025	147,630,746.51	37,333.71	147,668,080.22
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	-205,925.82		-205,925.82
– Effect of foreign exchange	-205,925.82		-205,925.82
(4)As at December 31, 2025	2,389,267.53		2,389,267.53
4. Book value			
(1)As at December 31, 2025	286,838,786.71	61,311.06	286,900,097.77
(2)As at December 31, 2024	43,858,683.05	31,164.01	43,889,847.06

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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	Purchase	Data resources Self-developed	Other	Total
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	3,233,566.86	-86,419,716.32	251,042,667.34				170,715,088.98
- Purchase		3,233,566.86		134,726,389.71				137,959,956.57
- Internal R&D				29,819,671.74				29,819,671.74
- Reclassification adjustment			-86,419,716.32	86,419,716.32				
- Others	2,858,571.10			76,889.57				2,935,460.67
(3) Decrease in 2025		94,587.43		415,177.61				509,765.04
- Disposal				8,281,436.86				8,281,436.86
- Portion that expired and was derecognized				124,303.71				124,303.71
- Effect of foreign exchange		94,587.43		-7,990,562.96				-7,895,975.53
(4) As at December 31, 2025	2,077,031,443.91	6,055,101.69		3,498,008,347.43		38,550,618.09		5,619,645,511.12
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	54,503,412.44	345,505.03	-61,212,918.31	483,137,636.19		2,021,219.64		478,794,854.99
- Provision	51,644,841.34	345,505.03		421,850,135.03		2,021,219.64		475,861,701.04
- Reclassification adjustment			-61,212,918.31	61,212,918.31				
- Others	2,858,571.10			74,582.85				2,933,153.95
(3) Decrease in 2025	9,147.22	1,576.46		3,589,346.55				3,600,070.23
- Disposal				8,281,436.82				8,281,436.82
- Portion that expired and was derecognized				124,303.71				124,303.71
- Effect of foreign exchange		1,576.46		-4,816,393.98				-4,814,817.52
- Others	9,147.22							9,147.22
(4) As at December 31, 2025	820,828,166.51	875,041.28		3,084,170,134.97		13,921,056.60		3,919,794,399.36
3. Provision for impairment								
(1) As at December 31, 2024								
(2) Increase in 2025								
(3) Decrease in 2025								
(4) As at December 31, 2025								
4. Book value								
(1) As at December 31, 2025	1,256,203,277.40	5,180,060.41		413,838,212.46		24,629,561.49		1,699,851,111.76
(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 24.45% of the intangible asset balance at the end of the period.

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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****5.18.2.1 Intangible assets of data resources with indefinite useful lives**

None.

5.18.2.2 Intangible assets of a single data resource with a significant impact

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 December 31, 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						
OpenJaw Technologies Limited	152,334,357.62					152,334,357.62
Sub-total	152,334,357.62					152,334,357.62
Book value	260,400.76					260,400.76

5.20 Long-term deferred expenses

Item	As at December 31, 2024	Other decreases			As at December 31, 2025
		Increase in 2025	Amortization in 2025	- Foreign currency translation	
Various types of renovation and transformation works	25,919,254.65	19,980,690.59	17,517,872.51	10,987.17	28,371,085.56
Total	25,919,254.65	19,980,690.59	17,517,872.51	10,987.17	28,371,085.56

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For the year ended December 31, 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

5.21.1 Deferred tax assets before offset

Item	As at December 31, 2025		As at December 31, 2024	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment of assets	1,056,793,690.79	159,511,181.02	1,097,918,213.44	165,512,983.67
Amortization of intangible assets	1,197,106,412.09	179,569,341.00	1,077,797,544.25	161,672,029.63
Fixed assets depreciation	108,105.82	17,837.46	261,159.70	43,091.35
Employee compensation payable accrued more than actually paid	306,930,358.20	46,039,553.73	265,313,933.33	39,797,090.00
Accrued expenses	1,362,873,468.00	204,431,020.20	1,097,663,698.07	164,649,554.71
Temporary differences due to lease liabilities	301,213,448.12	46,420,795.32	48,689,720.11	7,555,210.15
Contract liabilities	414,089,657.87	62,113,448.68	395,059,221.20	59,258,883.18
Offset	-284,323,813.24	-43,796,370.11	-41,559,144.02	-6,457,805.25
Total	4,354,791,327.65	654,306,807.30	3,941,144,346.08	592,031,037.44

5.21.2 Deferred tax liabilities before offset

Item	As at December 31, 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	312,798,865.60	46,919,829.84	185,623,751.80	27,843,562.77
Changes in fair value of investments in other equity instruments	177,313,600.00	26,597,040.00	129,312,400.00	19,396,860.00
Temporary difference arising from accelerated depreciation of fixed assets	23,999,206.82	3,632,231.70	31,491,505.08	4,746,894.03
Temporary difference arising from asset revaluation increment	25,002,395.20	6,242,394.29	27,669,767.17	6,642,500.08
Temporary differences due to right-of-use assets	286,257,632.64	44,119,371.04	42,961,890.06	6,659,915.78
Amortization of intangible assets	53,470,091.12	6,978,524.58	42,127,664.56	5,265,958.07
Offset	-284,323,813.24	-43,796,370.11	-41,559,144.02	-6,457,805.25
Total	594,517,978.14	90,693,021.34	417,627,834.65	64,097,885.48

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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)****5.21.3 Details of unrecognized deferred tax assets**

Item	As at December 31, 2025	As at December 31, 2024
Deductible temporary differences	13,088,028.33	2,319,093.05
Deductible losses	20,937,163.30	15,725,758.74
Total	34,025,191.63	18,044,851.79

5.21.4 Deductible losses from unrecognized deferred tax assets will be expired in the following years

Year	As at December 31, 2025	As at December 31, 2024	Remark
2026	265,207.86	265,207.86	
2027	2,194,158.89	2,194,158.89	
2028	1,272,212.30	1,636,588.00	
2029	3,144,399.65	3,144,399.65	
2030	8,061,387.24	2,485,606.98	
2033	5,999,797.36	5,999,797.36	
Total	20,937,163.30	15,725,758.74	

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(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

(CONTINUED)

5.22 Other non-current assets

Item	As at December 31, 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	144,301,861.08		144,301,861.08	651,357,806.69		651,357,806.69
Total	144,301,861.08		144,301,861.08	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; and China Minsheng Banking Corporation, RMB60,000,000.00, certificates of deposit with interest rates ranging from 1.75%-2.40% per annum and a term of 1,096-1,097 days.

5.23 Assets with restricted ownership or use

Item	As at December 31, 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	1,569,614,257.59	1,569,614,257.59	Other	Payment business reserve deposits, time deposits or call deposits used as collateral, performance bonds, property preservation deposits, channel guarantee deposits paid, etc.	1,490,398,550.10	1,490,398,550.10	Other	Payment business reserve deposits, time deposits or call deposits used as collateral, performance bonds, property preservation deposits, channel guarantee deposits paid, etc.
Non-current assets due within one year	545,671,917.81	545,671,917.81	Other	Locked-up funds and accrued interest	530,171,917.81	530,171,917.81	Other	Locked-up funds and accrued interest
Other non-current assets								
Total	2,115,286,175.40	2,115,286,175.40			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 December 31, 2025	As at December 31, 2024
Credit borrowings	1,288,402,134.97	1,203,300,592.42
Total	1,288,402,134.97	1,203,300,592.42

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 Detailed information of borrowings**

Lender	Principal amount (RMB)	Date		Interest rate (annual %)
		Start	End	
Shanghai Bank Co., Ltd. Beijing Branch	130,000,000.00	2025-12-30	2026-3-30	2.85
China Merchants Bank Co., Ltd. Tianjin Branch	44,956,571.05	2025-5-20	2026-5-19	1-year LPR minus 0.75
China Merchants Bank Co., Ltd. Tianjin Branch	40,271,885.60	2025-6-10	2026-6-9	1-year LPR minus 0.75
China Merchants Bank Co., Ltd. Tianjin Branch	49,333,976.47	2025-6-17	2026-6-16	1-year LPR minus 0.75
China CITIC Bank Co., Ltd. Beijing Branch	101,000,000.00	2025-12-17	2026-12-11	1-year LPR minus 0.79
China CITIC Bank Co., Ltd. Beijing Branch	30,436,108.87	2025-12-18	2026-12-3	1-year LPR minus 0.80
China CITIC Bank Co., Ltd. Beijing Branch	85,000,000.00	2025-11-20	2026-6-12	1-year LPR minus 0.79
China CITIC Bank Co., Ltd. Beijing Branch	55,739,825.95	2025-12-23	2026-12-3	1-year LPR minus 0.80
China CITIC Bank Co., Ltd. Beijing Branch	21,108,097.57	2025-12-24	2026-12-3	1-year LPR minus 0.80
Beijing Rural Commercial Bank Co., Ltd. Fengtai Sub-branch	91,000,000.00	2025-11-25	2026-11-25	1-year LPR minus 0.88
China Minsheng Banking Corp., Ltd. Beijing Branch	70,915,571.67	2025-9-23	2026-9-23	1-year LPR minus 0.85
China Minsheng Banking Corp., Ltd. Beijing Branch	35,816,951.33	2025-9-24	2026-9-24	1-year LPR minus 0.85
China Minsheng Banking Corp., Ltd. Beijing Branch	32,506,901.75	2025-9-25	2026-9-25	1-year LPR minus 0.85
China Minsheng Banking Corp., Ltd. Beijing Branch	74,564,217.65	2025-9-16	2026-9-16	1-year LPR minus 0.85
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	50,000,000.00	2025-11-18	2026-5-15	1-year LPR minus 0.86
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	25,000,000.00	2025-11-19	2026-5-15	1-year LPR minus 0.86
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	27,000,000.00	2025-11-20	2026-5-15	1-year LPR minus 0.86
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	26,000,000.00	2025-11-21	2026-5-15	1-year LPR minus 0.86
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	45,000,000.00	2025-11-25	2026-5-22	1-year LPR minus 0.86
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	21,000,000.00	2025-12-10	2026-6-9	1-year LPR minus 0.86
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	22,000,000.00	2025-12-11	2026-6-9	1-year LPR minus 0.86
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	38,000,000.00	2025-12-16	2026-6-15	1-year LPR minus 0.86
Bank of Communications Co., Ltd. Beijing Shunyi Sub-branch	21,000,000.00	2025-12-17	2026-6-15	1-year LPR minus 0.86
Shanghai Pudong Development Bank Co., Ltd. Tianjin Branch	28,423,145.58	2025-6-25	2026-6-24	1-year LPR minus 0.80
Shanghai Pudong Development Bank Co., Ltd. Tianjin Branch	6,576,854.42	2025-6-26	2026-6-24	1-year LPR minus 0.80
Shanghai Pudong Development Bank Co., Ltd. Tianjin Branch	62,331,989.61	2025-7-22	2026-7-21	1-year LPR minus 0.80
Shanghai Pudong Development Bank Co., Ltd. Tianjin Branch	2,668,010.39	2025-7-23	2026-7-21	1-year LPR minus 0.80
Shanghai Pudong Development Bank Co., Ltd. Tianjin Branch	46,833,161.79	2025-12-30	2026-6-24	1-year LPR minus 0.86
Shanghai Pudong Development Bank Co., Ltd. Tianjin Branch	3,166,838.21	2025-12-31	2026-6-24	1-year LPR minus 0.86
Total	1,287,650,107.91			

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For the year ended December 31, 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 December 31, 2025	As at December 31, 2024
Within 1 year (including 1 year)	1,644,717,971.22	1,549,348,182.83
1 – 2 years (including 2 years)	405,438,253.06	340,985,846.69
2 – 3 years (including 3 years)	224,126,066.13	186,806,682.64
Over 3 years	169,339,630.99	110,259,454.78
Total	2,443,621,921.40	2,187,400,166.94

5.25.2 Significant account payables with aging over one year

Item	As at December 31, 2025	Reason for no payment or carry-forward
Supplier 1	72,780,021.43	Business is conducted on a continuous rolling basis
Supplier 2	34,381,912.12	Business is conducted on a continuous rolling basis
Total	107,161,933.55	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.26 Contract liabilities****5.26.1 Details of contract liabilities**

Item	As at December 31, 2025	As at December 31, 2024
Contracts for airport digital services, etc.	1,050,430,852.10	645,608,277.80
Total	1,050,430,852.10	645,608,277.80

5.26.2 Significant contractual liabilities aged over one year

Item	As at December 31, 2025	Reasons for non- reimbursement or carry-over
Air China Limited	94,468,008.86	Performance obligations not yet completed
China Southern Airlines Company Limited	89,489,116.89	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
China United Airlines Co., Ltd.	19,920,209.98	Performance obligations not yet completed
Total	305,201,256.08	

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

Item	Changed amount	Reason for change
Contracts for airport digital services, etc.	404,822,574.30	Expansion of business scale
Total	404,822,574.30	

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(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 December 31, 2025
Short-term compensation	265,015,401.34	2,363,160,132.38	2,330,338,510.77	297,837,022.95
Post-employment benefits				
– defined contribution plans	19,246,293.77	344,485,426.72	348,306,281.85	15,425,438.64
Dismissal benefits	68,614.85	1,709,540.58	1,340,998.32	437,157.11
Other benefits due within one year				
Others	6,237,914.25	14,163,525.12	13,962,228.17	6,439,211.20
Total	290,568,224.21	2,723,518,624.80	2,693,948,019.11	320,138,829.90

5.27.2 Presentation of short-term compensation

Item	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025
(1) Salaries, bonuses, allowances and subsidies	162,152,695.83	1,804,390,214.28	1,776,257,316.96	190,285,593.15
(2) Employee welfare		149,895,763.06	149,895,763.06	
(3) Social insurance premiums	2,044,338.32	137,368,211.75	137,249,063.95	2,163,486.12
Including: medical insurance premium	931,816.23	122,915,494.85	122,811,247.39	1,036,063.69
Work-related injury insurance premium	133,450.22	4,269,241.65	4,271,487.60	131,204.27
Maternity insurance premium	979,071.87	10,183,475.25	10,166,328.96	996,218.16
(4) Housing provident funds	3,197,151.68	170,876,198.02	173,322,625.02	750,724.68
(5) Labor union expenditures and employee education funds	97,621,215.51	57,689,926.98	50,792,637.16	104,518,505.33
(6) Short-term compensated absences				
(7) Short-term profit sharing plan				
(8) Other short-term employee compensation		42,939,818.29	42,821,104.62	118,713.67
Total	265,015,401.34	2,363,160,132.38	2,330,338,510.77	297,837,022.95

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 December 31, 2025
Basic endowment insurance premium	2,649,289.10	236,561,775.12	236,170,157.44	3,040,906.78
Unemployment insurance premium	-71,944.07	7,676,540.09	7,669,353.73	-64,757.71
Enterprise annuity payment	16,668,948.74	100,247,111.51	104,466,770.68	12,449,289.57
Total	19,246,293.77	344,485,426.72	348,306,281.85	15,425,438.64

5.28 Taxes payable

Taxes and surcharges	As at December 31, 2025	As at December 31, 2024
Value-added tax	18,733,042.41	14,422,227.08
consumption tax	18,237.56	2,564.51
Corporate income tax	129,353,221.47	79,039,645.93
Individual income tax	91,055,921.12	76,287,256.56
Urban maintenance and construction tax	3,575,879.06	4,281,711.44
House property tax	1,439,342.22	1,293,318.52
Educational surcharge	2,544,951.95	3,311,236.99
Resource tax	14,474.20	
Land use tax	142,770.48	142,770.48
Others	2,367,070.39	2,585,962.06
Total	249,244,910.86	181,366,693.57

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
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5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.29 Other payables**

Item	As at December 31, 2025	As at December 31, 2024
Interest payable		
Dividends payable	27,150,969.34	22,784,396.34
Other payables	2,253,531,833.20	1,929,204,076.46
Total	2,280,682,802.54	1,951,988,472.80

5.29.1 Dividends payable

Item	As at December 31, 2025	As at December 31, 2024
Ordinary share dividends	27,150,969.34	22,784,396.34
Total	27,150,969.34	22,784,396.34

5.29.2 Other payables*Presentation in terms of nature*

Item	As at December 31, 2025	As at December 31, 2024
E-commerce payment business	1,519,907,130.86	1,436,508,716.22
Settlement and clearing business payment	516,939,204.96	379,994,602.76
Current amounts	165,434,152.62	69,874,257.81
Social insurance and provident funds	16,861,399.93	5,848,626.10
Guaranteed deposits and deposits, etc.	34,389,944.83	36,977,873.57
Total	2,253,531,833.20	1,929,204,076.46

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(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 December 31, 2025	As at December 31, 2024
Long-term borrowings maturing within one year	306,280.00	200,213,888.89
Lease liabilities maturing within one year	136,918,637.67	41,364,102.61
Total	137,224,917.67	241,577,991.50

5.31 Other current liabilities

Item	As at December 31, 2025	As at December 31, 2024
Output tax to be carried forward	65,291,971.02	22,905,296.79
Total	65,291,971.02	22,905,296.79

5.32 Long-term borrowings

Item	As at December 31, 2025	As at December 31, 2024
Credit borrowings	471,200,000.00	
Total	471,200,000.00	

Note: The loan represents a credit loan obtained by the Company from its parent company in the form of entrusted loans, in accordance with the requirements of relevant documents, based on national project funds received by the parent company. The principal amount of the loan is RMB471,200,000.00, with a loan term from May 8, 2025 to May 8, 2028, an annual interest rate of 2.60%, interest payable quarterly, and principal repayable in a lump sum at maturity.

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

Item	As at December 31, 2025	As at December 31, 2024
Lease payments	168,558,151.84	10,006,413.39
Less: Financing charges unrecognized	3,592,512.01	1,752,839.21
Total	164,965,639.83	8,253,574.18

5.34 Long-term payables

Item	As at December 31, 2025	As at December 31, 2024
Long-term payables		
Special payables	395,709.35	400,237.65
Total	395,709.35	400,237.65

Special payables

Item	As at December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025
Item 1	395,709.35			395,709.35
Item 2	4,528.30		4,528.30	
Total	400,237.65		4,528.30	395,709.35

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For the year ended December 31, 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 December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025
Restoration cost of leased premises		1,156,424.55		1,156,424.55
Product quality warranty		526,023.68		526,023.68
Payment business risk reserve (Note)	20,000.00			20,000.00
Total	20,000.00	1,682,448.23		1,702,448.23

Note: Beijing AsiaTech Payment Technology Co., Ltd., a 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 December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 2025
Government grants related to assets				
Government grants Related to Income	172,500.00	1,200,000.00		1,372,500.00
Total	172,500.00	1,200,000.00		1,372,500.00

5.37 Share capital

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 December 31, 2024	Increase in 2025	Decrease in 2025	As at December 31, 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

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For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.39 Other comprehensive income**

Item	As at December 31, 2024	2025						As at December 31, 2025
		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: amount previously included in the other comprehensive income and currently transferred to the retained earnings	
1. Other comprehensive income that cannot be reclassified into profit or loss	113,265,760.25	48,468,410.85		7,200,180.00	41,268,230.85			154,533,991.10
Including: Other comprehensive income not transferable to profit or loss under the equity method	3,350,220.25	467,210.85			467,210.85			3,817,431.10
Changes in fair value of other equity instrument investments	109,915,540.00	48,001,200.00		7,200,180.00	40,801,020.00			150,716,560.00
2. Other comprehensive income that will be reclassified into profit or loss	-14,318,210.94	-4,530,942.35			-4,530,942.35			-18,849,153.29
Including: Translation differences of foreign currency financial statements	-14,318,210.94	-4,530,942.35			-4,530,942.35			-18,849,153.29
Total of other comprehensive income	98,947,549.31	43,937,468.50		7,200,180.00	36,737,288.50			135,684,837.81

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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			As at December 31, 2025
		Increase in 2025	Decrease in 2025	
Statutory surplus reserves	2,497,864,541.10	192,077,756.12		2,689,942,297.22
Discretionary surplus reserves	2,011,202,862.77	170,291,613.33		2,181,494,476.10
Total	4,509,067,403.87	362,369,369.45		4,871,436,773.32

Note: Pursuant to the resolution of the Annual General Meeting of Shareholders held by the Company on June 12, 2025, the discretionary surplus reserve is accrued, and the statutory surplus reserve is accrued at 10% of the net profit of the parent company.

5.41 General risk reserves

Item	As at December 31, 2024			As at December 31, 2025
		Increase in 2025	Decrease in 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 subsidiary of the Company Antu Jinxin Commercial Factoring Co., Ltd. from net profit, the amount determined at 1% of the balance of risk assets 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 THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

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

Item	Year 2025	Year 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	2,341,561,691.06	2,074,272,594.78
Less: Withdrawal of statutory surplus reserves	192,077,756.12	170,291,613.33
Withdrawal of discretionary surplus reserves	170,291,613.33	116,981,122.04
Withdraw general risk reserve	1,968,015.05	
Common stock dividends payable	699,364,091.76	468,193,534.24
Retained profit at the end of the period	14,767,735,851.01	13,489,875,636.21

Note: On June 12, 2025, the Proposal on Distributing the Final Cash Dividend for the Year-End 2024 was approved at the Annual General Meeting of Shareholders of the Company. The dividend is RMB0.239 per share (including tax), with a total distribution amount of RMB699,364,091.76.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 revenues and operating costs

Item	Year 2025		Year 2024	
	Revenue	Cost	Revenue	Cost
Primary business	8,748,062,402.05	4,295,909,252.26	8,789,242,193.30	4,299,273,990.45
Other business	17,777,683.20	10,934,373.82	33,781,127.55	10,615,229.83
Total	8,765,840,085.25	4,306,843,626.08	8,823,023,320.85	4,309,889,220.28

Details of operating income:

Item	Year 2025	Year 2024
Aviation information platform service revenue (Note 1)	4,615,974,310.23	4,526,871,522.98
Accounting, settlement and clearing services revenue (Note 2)	875,458,198.88	807,479,018.55
Airport digitalization service revenue (Note 3)	1,495,441,663.11	1,887,709,037.10
Aviation Travel Intelligent Products and Services (Note 4)	1,112,739,115.96	936,825,950.36
Information network and digital infrastructure service revenue (Note 5)	659,876,571.12	661,776,929.20
Other income	6,350,225.95	2,360,862.66
Total	8,765,840,085.25	8,823,023,320.85

Note 1: Including "Aviation Information Technology Services", and "Data service income", "Logistics business income" within "Other income" disclosed in previous years.

Note 2: Including "Accounting, settlement and clearing services", "Payment business income" and "Factoring business revenue" within "Other income" disclosed in previous years.

Note 3: The name disclosed in previous years was "System Integration Services".

Note 4: The name disclosed in previous years was "Revenue from technical support and products".

Note 5: Including "Data network service" and "Income from leasing, operation and maintenance service" within "Other income" disclosed in previous years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 (Continued)****5.43.1 Operating revenues and operating costs (Continued)**

Details of operating income (According to the disclosure basis of FY2024)

Item	Year 2025	Year 2024
Aviation information technology services	4,391,596,858.32	4,318,703,973.91
Settlement and clearing services	656,081,003.92	591,165,828.48
Airport Digitalization Services (Note 6)	1,495,441,663.11	1,887,709,037.10
Data network services	506,670,240.36	464,559,678.88
Technical Support and Product Revenue	1,112,739,115.96	936,825,950.36
Other income	603,311,203.58	624,058,852.12
Including: Payment business income	139,956,394.69	175,053,956.28
Income from leasing, operation, and maintenance services	153,206,330.76	197,217,250.32
Logistics business income	102,263,878.28	88,539,659.09
Data service income	112,588,685.75	85,398,747.53
Total	8,765,840,085.25	8,823,023,320.85

Note 6: "Airport Digitalization Services" was disclosed as "System Integration Services" in prior years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 (Continued)****5.43.2 Significant contractual changes or significant transaction price adjustments**

Item	Methods of accounting treatment	Amount of effect on revenue
Airline Service Agreement Fee Model	Changes in contracts, offset by income in the period in which the contract is changed	-63,675,505.96
Total		-63,675,505.96

5.44 Taxes and surcharges

Item	Year 2025	Year 2024
Urban construction and maintenance tax	20,652,858.65	18,986,077.78
Educational surcharges	11,357,959.93	10,499,948.44
Local educational surcharges	7,571,035.57	6,999,245.17
Real property tax	50,747,352.95	49,473,285.17
Resource tax	67,472.80	28,678.60
Land use tax	579,891.65	579,768.33
Stamp tax	6,203,787.43	7,345,823.79
Vehicle and vessel tax	160,042.08	161,363.34
Others	172,803.24	527,851.94
Total	97,513,204.30	94,602,042.56

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.45 Selling and distribution expenses**

Item	Year 2025	Year 2024
Labor costs	70,748,216.50	60,215,950.91
Distribution support costs	18,589,924.54	12,222,060.78
Payments of business cost	4,327,534.74	6,540,314.26
Expenses for business trips	5,138,464.96	4,813,668.84
Business entertainment fees	2,586,261.08	3,442,681.53
Advertising and production costs	2,429,420.13	1,776,324.03
Technical support and maintenance fees	2,037,809.62	2,320,390.05
Amortization expenses of right-of-use assets	845,006.25	533,191.90
Meeting fees	544,709.52	224,277.05
Depreciation expenses of fixed assets	477,961.54	555,081.50
Other costs	5,249,546.17	4,524,542.52
Total	112,974,855.05	97,168,483.37

5.46 General and administrative expenses

Item	Year 2025	Year 2024
Labor costs	811,693,055.11	740,674,457.23
Depreciation expenses of fixed assets	116,857,379.06	218,443,210.08
Technical support and maintenance fees	65,102,346.31	67,248,539.31
Amortization of intangible assets	69,618,171.27	92,551,777.81
Amortization of right-of-use assets	52,870,745.75	60,078,575.12
Property management fees of office building	33,404,586.45	14,323,744.11
Expenses for business trips	23,561,297.27	20,101,733.84
Utility bills	16,924,782.57	16,391,670.57
Disability Employment Guarantee Fund	15,309,259.02	15,005,251.57
Amortization of renovation expenses	13,474,287.86	385,870.48
Other costs	86,267,168.46	91,355,569.41
Total	1,305,083,079.13	1,336,560,399.53

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.47 Research and development expenses**

Item	Year 2025	Year 2024
Labor costs	406,835,953.00	540,390,547.10
Technical support fees	189,998,969.74	262,320,966.80
Depreciation expenses of fixed assets	13,147,464.89	5,237,494.76
Amortization of intangible assets	4,309,885.81	7,579,340.06
Depreciation expenses of right-of-use assets	45,517.83	5,835,273.48
Expenses for business trips	693,605.19	1,837,813.61
Other costs	609,858.68	1,435,329.20
Total	615,641,255.14	824,636,765.01

5.48 Financial expenses

Item	Year 2025	Year 2024
Interest expenses	20,647,822.61	11,482,616.50
Including: Interest expenses of lease liabilities	11,080,369.28	4,343,642.07
Less: Interest income	115,898,872.01	199,101,553.97
Gains or losses on foreign currency exchange	-12,173,276.50	-23,595,536.05
Others	2,446,287.60	1,821,103.43
Total	-104,978,038.30	-209,393,370.09

5.49 Other income

Item	Year 2025	Year 2024
Government grants	11,442,427.40	13,779,340.13
Additional deduction of input tax		-2,816,287.27
Withholding of personal income tax fees	2,145,718.99	1,197,736.74
Direct reduction and exemption of VAT	217,647.25	
Total	13,805,793.64	12,160,789.60

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.50 Investment income**

Item	Year 2025	Year 2024
Long-term equity investments income calculated under the equity method (Note)	50,791,547.29	43,718,133.70
Investment income from disposal of long-term equity investment		6,745,214.44
Investment income from financial assets held for trading during the holding period	17,505,692.03	30,197,201.10
Interest income received during the holding period of debt investments	15,383,563.39	
Total	83,680,802.71	80,660,549.24

Note: Including gains on disposal of Shanghai Tiantong Business Travel Agency Co., Ltd. in the amount of RMB115,294.53.

5.51 Gains from changes in fair value

Source of income from changes in fair value	Year 2025	Year 2024
Financial assets held for trading	-3,684,726.03	13,336,095.89
Other non-current financial assets	130,859,839.81	64,273,386.60
Total	127,175,113.78	77,609,482.49

5.52 Losses from credit impairment

Item	Year 2025	Year 2024
Bad debts of notes receivable	-8,266,130.25	-1,120,512.31
Bad debts of accounts receivable	-27,054,814.39	115,083,912.92
Total	-35,320,944.64	113,963,400.61

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.53 Losses from assets impairment**

Item	Year 2025	Year 2024
Losses from impairment of contract assets	-10,957,932.79	25,171,059.14
Losses from impairment of advances to suppliers		181,035.00
Total	-10,957,932.79	25,352,094.14

5.54 Gains from disposal of assets

Item	Year 2025	Year 2024	Amount included in non-recurring profit or loss in the current period
Disposal of right-of-use assets	2,778,736.04	1,831,533.51	2,778,736.04
Disposal of fixed assets	-36,401.99		-36,401.99
Total	2,742,334.05	1,831,533.51	2,742,334.05

5.55 Non-operating income

Item	Year 2025	Year 2024	Amount included in non-recurring profit or loss in the current period
Gains from damage and scrapping of non-current assets	101,622.99	949,770.76	101,622.99
Indemnities	1,844,305.02	4,562,498.47	1,844,305.02
Payable not to be Paid	31,926.03	7,448,867.90	31,926.03
Others	837,813.91	1,432,559.18	837,813.91
Total	2,815,667.95	14,393,696.31	2,815,667.95

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.56 Non-operating expenses**

Item	Year 2025	Year 2024	Amount included in non-recurring profit or loss in the current period
Donations	15,033,526.83	12,068,163.35	15,033,526.83
Losses from the damage and scrapping of non- current assets	768,467.79	751,511.57	768,467.79
late fee	8,583,809.46	8,962,549.38	8,583,809.46
Others	142,071.66	591,866.02	142,071.66
Total	24,527,875.74	22,374,090.32	24,527,875.74

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

Item	Year 2025	Year 2024
Current income tax expenses	322,132,036.09	287,103,150.48
Deferred income tax expenses	-43,302,913.19	-21,140,462.49
Total	278,829,122.90	265,962,687.99

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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	Year 2025
Total profits	2,684,732,817.67
Income tax expenses calculated at statutory or applicable tax rate	402,709,922.65
Effect of different tax rates applicable to subsidiaries	12,824,161.42
Influence of adjustments to the income tax for the prior years	-13,534,115.83
Influence of non-taxable income	-8,092,441.32
Influence of non-deductible costs, expenses and losses	13,861,530.14
Influence of using the deductible losses related to deferred tax assets unrecognized in previous periods	-30,203.52
Influence of unrecognized deferred tax assets and deductible temporary differences or losses in current period	198,654.58
Additional deduction for research and development expenses	-38,854,329.73
Impact of tax refunds for key software companies	-90,211,296.16
Other	-42,759.33
Income tax expenses	278,829,122.90

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.58 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 ordinary shares:

Item	Year 2025	Year 2024
Consolidated net profit attributable to the common stockholder of the Company	2,341,561,691.06	2,074,272,594.78
Weighted average of the Company's outstanding common stock	2,926,209,589.00	2,926,209,589.00
Basic earnings per share	0.80	0.71
Including: Basic earnings per share from continuing operations	0.80	0.71
Basic earnings per share from discontinued operations		

As at December 31, 2025 and December 31, 2024, the Company has no potential dilutive ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

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(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	Year 2025	Year 2024
Labor costs	2,612,324,531.53	2,489,731,900.37
Depreciation and amortization expenses	899,327,941.12	1,242,701,146.84
Cost of sales for airport digitalization business (Note 1)	778,808,005.16	910,165,471.31
Technical support and maintenance fees	819,282,314.42	776,810,258.53
Departure and distribution support fees (Note 2)	628,436,378.91	566,470,303.92
Internet usage fees	109,312,279.04	89,630,825.35
Financial expenses	-104,978,038.30	-209,393,370.09
Other operating costs	493,051,365.22	492,744,961.87
Total	6,235,564,777.10	6,358,861,498.10

Note 1: Cost of sales for airport digitalization business was disclosed as 'Cost of sales of integration business' in previous years;

Note 2: Departure and distribution support fees were disclosed as "Commission and promotion expenses" in previous years, and the cost of payment operations therein was classified as other operating costs.

5.60 Items of statement of cash flows**5.60.1 Cash relating to operating activities****5.60.1.1 Other cash receipts relating to operating activities**

Item	Year 2025	Year 2024
Government grants received	9,625,875.50	7,474,222.48
Interest income received from bank deposits	49,871,773.84	127,649,475.35
Guarantee funds and quality guarantee deposits received	39,442,315.35	24,044,849.02
Current accounts received	33,539,445,515.94	30,372,181,092.17
Other non-operating income received	2,770,121.35	647,360.94
Collections and payments received	172,575,857.90	130,508,582.77
Others	109,664,144,490.50	115,853,591,005.30
Total	143,477,875,950.38	146,516,096,588.03

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For the year ended December 31, 2025

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5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****5.60 Items of statement of cash flows (Continued)****5.60.1 Cash relating to operating activities (Continued)****5.60.1.2 Other cash payments relating to operating activities**

Item	Year 2025	Year 2024
General and administrative expenses paid	267,461,754.78	172,039,575.62
Selling and distribution expenses paid	70,860,471.33	41,548,783.06
Research and development expenses paid	177,532,397.93	454,733,473.05
Bank charges paid	2,475,504.16	1,471,630.09
Non-operating expenses paid	8,506,644.48	1,741,277.03
Security deposit paid	34,791,945.12	13,103,735.38
Current accounts between entities paid	34,058,339,163.79	29,858,368,550.88
Others	109,828,046,136.01	116,315,849,758.33
Total	144,448,014,017.60	146,858,856,783.44

5.60.2 Cash relating to investing activities**5.60.2.1 Other cash receipts relating to investing activities**

Item	Year 2025	Year 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	Year 2025	Year 2024
Net decrease in cash from disposal of subsidiaries		442,553.74
Total		442,553.74

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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	Year 2025	Year 2024
Lease liabilities paid	109,238,174.12	117,935,186.71
External donations (Note)	15,000,000.00	12,000,000.00
Total	124,238,174.12	129,935,186.71

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 December 31, 2025
		Cash movements	Non-cash movements	Cash movements	Non-cash movements	
Short-term borrowings	1,203,300,592.42	3,341,797,320.57	752,027.06	3,257,447,805.08		1,288,402,134.97
Long-term borrowings	200,213,888.89	471,200,000.00	306,280.00	200,213,888.89		471,506,280.00
Lease liabilities	49,617,676.79		395,059,882.34	109,238,174.12	33,555,107.51	301,884,277.50

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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	Year 2025	Year 2024
1. Net profit adjusted to cash flows from operating activities		
Net profit	2,405,903,694.77	2,128,563,558.28
Plus: Losses from credit impairment	-35,320,944.64	113,963,400.61
Provisions for impairment of assets	-10,957,932.79	25,352,094.14
Depreciation expenses of fixed assets	285,841,500.86	596,916,040.67
Depletion of oil and gas assets		
Amortization of right-of-use assets	122,080,495.16	106,837,565.92
Amortization of intangible assets	478,148,557.84	531,815,887.99
Amortization of long-term deferred expenses	17,517,872.51	5,469,142.51
Losses from disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-2,742,334.05	-1,831,533.51
Losses from scrapping of fixed assets ("-" for gains)	666,844.80	-198,259.19
Losses from changes in fair value ("-" for gains)	-127,175,113.78	-77,609,482.49
Financial expenses ("-" for gains)	20,647,822.61	4,030,876.25
Investment losses ("-" for gains)	-83,680,802.71	-80,660,549.24
Decreases in deferred tax assets ("-" for increases)	-62,275,769.86	-30,550,695.01
Increases in deferred tax liabilities ("-" for decreases)	19,394,955.86	9,489,457.72
Decreases in inventories ("-" for increases)	2,190,514.34	4,254,486.03
Decreases in operating receivables ("-" for increases)	-996,594,436.09	-668,353,463.35
Increases in operating payables ("-" for decreases)	889,892,652.41	-141,543,604.79
Others		
Net cash flow from operating activities	2,923,537,577.24	2,525,944,922.54
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	10,017,949,085.85	10,507,711,480.03
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	-489,762,394.18	3,231,180,205.38

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For the year ended December 31, 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 December 31, 2025	As at December 31, 2024
I. Cash	10,017,949,085.85	10,507,711,480.03
Including: Cash on hand	1,132.61	10,958.18
Unrestricted digital currency	3,072,386.73	2,931,986.43
Unrestricted bank deposit	9,966,728,037.74	10,502,384,389.29
Unrestricted other monetary asset	48,147,528.77	2,384,146.13
II. Cash equivalents		
Including: Bond investments maturing within three months		
III. Ending balance of cash and cash equivalents	10,017,949,085.85	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	Reasons for cash and cash equivalents
People's Bank of China customer provisions	1,528,545,848.71	Ready to be used for the settlement of daily operations of the payer
Total	1,528,545,848.71	

NOTES TO THE FINANCIAL STATEMENTS

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(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 December 31, 2025	As at December 31, 2024	Reasons for not being cash and cash equivalents
Performance bond	39,158,809.89	28,590,768.45	Restricted and not available for immediate use
Property preservation		10,775,011.90	Restricted and not available for immediate use
Letter of Credit Deposit		1,400,000.00	Restricted and not available for immediate use
Payment Gateway Margin	507,298.99	506,936.29	Restricted and not available for immediate use
Others	1,402,300.00	2,300.00	Restricted and not available for immediate use
Total	41,068,408.88	41,275,016.64	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

5 NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS**(CONTINUED)****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			313,751,441.65
Including: USD	32,551,614.83	7.0288	228,798,790.32
EUR	2,131,344.13	8.2355	17,552,684.58
HKD	72,835,803.40	0.9032	65,785,297.63
Other foreign currencies	66,973,689.11		1,614,669.12
Accounts receivable			249,395,604.75
Including: USD	20,640,289.61	7.0288	145,076,467.61
EUR	3,090,872.92	8.2355	25,454,883.93
HKD	69,774,086.99	0.9032	63,019,955.37
Other foreign currencies	51,562,792.64		15,844,297.84

5.63 Lease**5.63.1 The company as the lessee**

Item	Year 2025	Year 2024
Interest expense arising from lease liabilities	11,080,369.28	4,343,642.07
Short-term lease expenses that are simplified treated to the cost of related assets or current profits and losses	1,020,962.65	452,217.60
Lease expenses for low value assets that are simplified treated to the cost of related assets or current profits and losses (exclude short-term lease for low value assets)	59,880.00	
Cash outflows in relation to lease	109,569,049.34	118,657,778.18

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

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

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

Remaining lease term	Undiscounted lease payments
Within 1 year	141,819,872.69
1 – 2 years	131,230,058.46
2 – 3 years	32,585,594.27
Over 3 years	5,092,966.28
Total	310,728,491.70

5.63.2 The company as the lessor***Operating lease***

	Year 2025	Year 2024
Income from operating leases	18,719,482.92	34,770,862.07
Of which: Income relating to variable lease payments not included in lease income		

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

Remaining lease term	Year 2025	Year 2024
Within 1 year	21,117,882.40	30,347,387.07
1 – 2 years	21,658,680.70	30,698,599.11
2 – 3 years	21,340,720.72	29,411,636.97
3 – 4 years	13,324,105.62	29,123,154.99
4 – 5 years	4,122,442.74	16,866,430.86
Over 5 years	5,021,955.36	11,168,185.51
Total	86,585,787.54	147,615,394.51

5.64 Data resources**5.64.1 Data resources assessment**

None.

5.64.2 Other data resources information

None.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
 (Amounts are expressed in RMB unless otherwise stated.)

6 RESEARCH & DEVELOPMENT EXPENDITURES**6.1 Research & development expenditures**

Item	Year 2025	Year 2024
Labor costs	510,312,460.17	566,268,446.58
Technical support and fees	292,588,608.46	282,666,542.92
Depreciation expenses of fixed assets	13,407,847.19	5,246,166.59
Amortization of intangible assets	4,749,594.85	7,580,442.99
Amortization of right-of-use assets	45,517.83	5,835,273.48
Travelling expenses	883,465.33	1,837,813.61
Other costs	647,594.53	1,445,178.91
Total	822,635,088.36	870,879,865.08
Of which: Expensed research & development expenditures	615,641,255.14	824,636,765.01
Capitalised research & development expenditures	206,993,833.22	46,243,100.07

During the period, the Company's expenditures for data resource research and development expensed were RMB0.00 (previous period: RMB0.00), and expenditures for data resource research and development capitalised were RMB0.00 (previous period: RMB6,063,658.75).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

6 RESEARCH & DEVELOPMENT EXPENDITURES (CONTINUED)**6.2 Development expenditures**

Item	As at December 31, 2024	Increase in 2025		Decrease in 2025		As at December 31, 2025
		Internal development expenditures	Others	Recognized as an intangible asset	Others	
Item 1	11,196,503.37	4,256,328.89		15,452,832.26		
Item 2	4,966,227.07			4,966,227.07		
Item 3	1,794,966.47			1,794,966.47		
Item 4	1,732,509.52			1,732,509.52		
Item 5		1,488,293.83				1,488,293.83
Item 6		1,046,412.71				1,046,412.71
Item 7		1,667,773.46				1,667,773.46
Item 8		942,366.84				942,366.84
Item 9		1,465,820.78				1,465,820.78
Item 10	967,847.22	3,528,264.95				4,496,112.17
Item 11	29,133,718.79	18,386,850.10				47,520,568.89
Item 12		47,874,580.73				47,874,580.73
Item 13		64,437,023.53				64,437,023.53
Item 14		15,408,895.22				15,408,895.22
Item 15		4,159,530.48				4,159,530.48
Item 16		26,686,709.51				26,686,709.51
Item 17		15,644,982.19		5,873,136.42	-440,071.53	10,211,917.30
Subtotal	49,791,772.44	206,993,833.22		29,819,671.74	-440,071.53	227,406,005.45
Less: Provisions for impairment						
Total	49,791,772.44	206,993,833.22		29,819,671.74	-440,071.53	227,406,005.45

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

6 RESEARCH & DEVELOPMENT EXPENDITURES (CONTINUED)**6.2 Development expenditures (Continued)****6.2.1 The situation of important capitalized research & development 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 5	Currently, the company is still in the process of research and development	December 2025	Formation of corresponding products, subsequent market entry	January 2025	Start capitalisation with company project approval
Item 6	Currently, the company is still in the process of research and development	December 2025	Formation of corresponding products, subsequent market entry	January 2025	Start capitalisation with company project approval
Item 7	Currently, the company is still in the process of research and development	December 2025	Formation of corresponding products, subsequent market entry	January 2025	Start capitalisation with company project approval
Item 8	Currently, the company is still in the process of research and development	December 2025	Formation of corresponding products, subsequent market entry	January 2025	Start capitalisation with company project approval
Item 9	Currently, the company is still in the process of research and development	December 2025	Formation of corresponding products, subsequent market entry	January 2025	Start capitalisation with company project approval
Item 10	R&D progress is approximately 79%.	December 2027	Formation of corresponding products, subsequent market entry	October 2024	Start capitalisation with company project approval
Item 11	Project is in the process of completion.	December 2025	Formation of corresponding products, subsequent market entry	September 2023	Start capitalisation with company project approval
Item 12	Project is in the process of completion.	December 2025	Formation of corresponding products, subsequent market entry	January 2025	Start capitalisation with company project approval
Item 13	R&D progress is approximately 42%.	December 2027	Formation of corresponding products, subsequent market entry	February 2025	Start capitalisation with company project approval
Item 14	Project is in the process of completion.	December 2025	Formation of corresponding products, subsequent market entry	February 2025	Start capitalisation with company project approval.
Item 15	R&D progress is approximately 92%.	April 2026	Formation of corresponding products, subsequent market entry	April 2025	Start capitalisation with company project approval

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

6 RESEARCH & DEVELOPMENT EXPENDITURES (CONTINUED)**6.2 Development expenditures (Continued)****6.2.1 The situation of important capitalized research & development projects (Continued)**

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 16	R&D progress is approximately 60%.	June 2026	Formation of corresponding products, subsequent market entry	September 2025	Start capitalisation with company project approval
Item 17	Pending production and acceptance	March 2026	Formation of corresponding products, subsequent market entry	January 2025	Start capitalisation with company project approval

7 CHANGE OF THE CONSOLIDATION SCOPE

There was no change in the consolidation scope during the period.

8 EQUITY IN OTHER ENTITIES**8.1 Equity in the subsidiaries Equity in joint venture arrangements or associates****8.1.1 Structure of the enterprise group**

Name of subsidiary	Principal place of business operation and registration		Registered capital		Shareholding ratio (%)		Way of acquisition
	Business type		Nature of Business		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 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
Civil Aviation Cares Technology of Xinjiang 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 THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

8 EQUITY IN OTHER ENTITIES (CONTINUED)

8.1 Equity in the subsidiaries Equity in joint venture arrangements or associates (Continued)

8.1.1 Structure of the enterprise group (Continued)

Name of subsidiary	Principal place of business operation and registration	Business type	Registered capital	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
China Aviation Accounting Co., Ltd.	Beijing, China Tianjin, China	Limited liability company (sole proprietorship)	75,978.52	Settlement, liquidation services and related information system development and support services	100.00		Investment
Beijing AsiaTech Payment Technology 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)	30,000.00	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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

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

Name of subsidiary	Principal place of business operation	Business type	Registered capital	Nature of Business	Shareholding ratio (%)		Way of acquisition
	and registration				Directly	Indirectly	
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
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
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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

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

Name of subsidiary	Principal place of business operation and registration	Business type	Registered capital	Nature of Business	Shareholding ratio (%)		Way of acquisition
					Directly	Indirectly	
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 THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

8 EQUITY IN OTHER ENTITIES (CONTINUED)**8.1 Equity in the subsidiaries Equity in joint venture arrangements or associates (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 December 31, 2025
Shenzhen Civil Aviation Cares Co., Ltd.	38.53	10,083,789.76	157,969.72	163,875,383.29
Xiamen Civil Aviation Cares Co., Ltd.	49.00	11,023,440.94	3,920,000.00	118,961,466.24
Qingdao Civil Aviation Cares Co., Ltd.	49.00	11,676,711.42	980,000.00	82,892,270.59

8.1.3 Key financial information of major non-wholly-owned subsidiaries

Name of subsidiaries	As at December 31, 2025						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.	390,213,055.34	47,822,109.54	438,035,164.88	12,627,001.14	80,403.79	12,707,404.93	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.	227,409,174.87	52,121,956.86	279,531,131.73	36,749,057.00	3,572.20	36,752,629.20	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.	687,072,093.34	10,928,231.75	698,000,325.09	528,832,425.92		528,832,425.92	451,327,863.08	15,258,999.82	466,586,862.90	313,726,242.29	5,322,744.75	319,248,987.04

Name of subsidiaries	Year 2025				Year 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.	134,216,501.58	26,171,811.91	26,171,811.91	2,314,492.48	125,643,977.31	1,366,316.03	1,366,316.03	20,058,366.47
Xiamen Civil Aviation Cares Co., Ltd.	95,260,127.77	22,496,818.24	22,496,818.24	10,001,613.96	100,604,993.29	21,941,569.94	21,941,569.94	454,943.87
Qingdao Civil Aviation Cares Co., Ltd.	457,483,561.08	23,830,023.31	23,830,023.31	36,796,642.44	444,423,257.57	20,851,941.73	20,851,941.73	68,234,010.08

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 Nature	Shareholding ratio (%)		Accounting treatment method of the investments in joint ventures or associates	Whether Strategic for 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; Promotion	20.66		Equity method	Yes
Yunnan TravelSky Airport Network Co., Ltd.	Kunming, China	Internet information service	50.00		Equity method	Yes

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 December 31, 2025/Year 2025			As at December 31, 2024/Year 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	226,099,666.02	57,805,921.45	49,663,066.96	230,822,508.49	60,066,876.57	51,777,467.84
Including: cash and cash equivalents	6,015,592.80	5,835,028.69	28,260,851.92	6,115,230.70	35,160,785.27	27,055,973.69
Non-current assets	41,083,755.74	4,760,406.59	5,597,989.95	46,715,585.98	1,984,973.09	7,903,694.07
Total assets	267,183,421.76	62,566,328.04	55,261,056.91	277,538,094.47	62,051,849.66	59,681,161.91
Current liabilities	22,229,102.92	3,971,459.01	6,318,181.30	44,417,835.64	9,176,937.79	6,950,052.55
Non-current liabilities	168,590.99	53,904.57		995,076.33	168,050.94	
Total liabilities	22,397,693.91	4,025,363.58	6,318,181.30	45,412,911.97	9,344,988.73	6,950,052.55
Minority shareholders' equity						
Equity attributable to the shareholders of the parent company	244,785,727.85	58,540,964.46	48,942,875.61	232,125,182.50	52,706,860.93	52,731,109.36
Net asset shares calculated according to the shareholding ratios	122,392,863.92	29,270,482.23	24,471,437.81	92,850,073.00	26,353,430.47	26,365,554.68
Adjustment matters				24,150,353.96		
- Goodwill						
- Unrealized profit from internal trading						
- Others				24,150,353.96		
Book value of the equity investment in joint ventures						
Fair value of investments in interests in joint ventures for which publicly quoted prices exist	122,392,863.92	29,270,482.23	24,471,437.81	117,000,426.96	26,353,430.47	26,365,554.68
Operating income	91,967,534.53	26,276,054.84	36,119,498.14	91,218,869.64	30,073,486.94	35,535,805.89
Financial expenses	-527,178.47	-274,941.53	-28,747.29	-782,090.65	-139,557.19	-74,210.42
Income tax expenses	2,360,071.77	2,534,066.33	2,289,804.17	2,104,180.48	3,251,157.54	1,781,728.31
Net profit	15,660,545.35	7,834,103.53	6,211,766.25	13,484,800.95	9,252,984.95	5,420,746.87

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 (Continued)

	As at December 31, 2025/Year 2025			As at December 31, 2024/Year 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
Net profit from discontinued operations						
Other comprehensive income						
Total comprehensive income	15,660,545.35	7,834,103.53	6,211,766.25	13,484,800.95	9,252,984.95	5,420,746.87
Dividends received from joint ventures in the current period	4,060,000.00	1,000,000.00	5,000,000.00		1,000,000.00	5,000,000.00

8.2.3 Key financial information of major associates

	As at December 31, 2025/Year 2025			As at December 31, 2024/Year 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	337,937,693.18	306,349,847.10	608,712,155.55	443,403,818.35	266,424,076.81	323,567,537.70
Non-current assets	179,269,533.15	100,933,530.35	104,611,010.79	204,683,117.19	110,990,760.89	38,340,566.99
Total assets	517,207,226.33	407,283,377.45	713,323,166.34	648,086,935.54	377,414,837.70	361,908,104.69
Current liabilities	184,173,004.21	18,310,339.48	472,884,589.58	278,009,768.35	45,009,530.98	227,352,894.90
Non-current liabilities	3,875,150.83	5,178,152.06	470,648.86	36,661,513.29	5,528,643.03	15,699,415.47
Total liabilities	188,048,155.04	23,488,491.54	473,355,238.44	314,671,281.64	50,538,174.01	243,052,310.37
Minority shareholders' equity						
Equity attributable to the shareholders of parent company	329,159,071.29	383,794,885.91	239,967,927.90	333,415,653.90	326,876,663.69	118,855,794.32

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 (Continued)**

	As at December 31, 2025/Year 2025			As at December 31, 2024/Year 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.
Net asset shares calculated according to the shareholding ratios	134,955,219.23	176,545,647.52	57,172,358.82	136,700,418.10	150,363,265.30	28,317,393.00
Adjustment matters	-40,317,571.00		184,127,784.80	-42,114,179.24		173,685,716.80
- Goodwill						
- Unrealized profit from internal trading	-40,317,571.00			-42,114,179.24		
- Others			184,127,784.80			173,685,716.80
Book value of the equity investment in associates	94,637,648.23	176,545,647.52	241,300,143.62	94,586,238.86	150,363,265.30	202,003,109.79
Fair value of investments in interests in joint ventures for which publicly quoted prices exist						
Operating income	261,848,421.78	311,398,017.26	514,884,073.25	273,937,319.12	333,359,790.98	214,033,767.03
Net profit	2,456,400.86	32,081,779.69	-43,637,624.81	2,577,836.00	33,701,353.23	-89,378,436.14
Net profit from discontinued operations						
Other comprehensive income	9,310,807.54			404,845.75		
Total comprehensive income	11,767,208.40	32,081,779.69	-43,637,624.81	2,982,681.75	33,701,353.23	-89,378,436.14
Dividends received from associates in the current period	4,100,000.00	2,861,200.00		738,000.00		

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For the year ended December 31, 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 December 31, 2025/Year 2025	As at December 31, 2024/Year 2024
Joint ventures:		
Total investment book value	52,859,952.26	47,475,711.86
Total amount calculated based on the following shareholding proportions		
– Net profit	11,384,185.40	13,257,412.41
– Other comprehensive income		
– Total comprehensive income	11,384,185.40	13,257,412.41
Associates:		
Total investment book value	186,487,393.45	170,961,297.28
Total amount calculated based on the following shareholding proportions		
– Net profit	21,332,484.71	18,875,183.97
– Other comprehensive income		
– Total comprehensive income	21,332,484.71	18,875,183.97

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

9 GOVERNMENT GRANTS**9.1 Government subsidies included in the profit or loss for the current period**

Items included in the current profit or loss or
used to offset the related costs or losses

	Year 2025	Year 2024
Income-related government grants	11,442,427.40	13,779,340.13
Total	11,442,427.40	13,779,340.13

9.2 Liabilities involving government subsidies

Liability items	As at December 31, 2024	The amount of new subsidy in this period	Amount included in non-operating income for the period	The amount of other income transferred in the current period	Amounts charged to costs during the period	Other changes	As at December 31, 2025	Asset-related/income- related
Deferred earnings								Assets-related
Deferred earnings	172,500.00	1,200,000.00					1,372,500.00	Income-related

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For the year ended December 31, 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 of directors 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, contract assets, other receivables, and debt instruments 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 THE FINANCIAL STATEMENTS

For the year ended December 31, 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.

Various financial liabilities of the Company should be presented at undiscounted contractual cash flows on the maturity date as follows:

Item	As at December 31, 2025					The total amount of the undiscounted contract	Total
	Immediate repayment	Within one year	1-2 years	2-5 years	Over 5 years		
Short-term borrowings		1,305,045,203.23				1,305,045,203.23	1,288,402,134.97
Accounts payable		1,606,531,211.55	454,765,455.16	330,524,905.74	51,800,348.95	2,443,621,921.40	2,436,336,087.39
Other payables		2,178,323,186.22	3,469,303.64	1,064,738.25	70,674,605.09	2,253,531,833.20	2,378,355,241.00
Long-term borrowings		12,761,666.67	12,421,355.56	475,590,013.33		500,773,035.56	471,506,280.00
Lease liabilities		146,010,781.41	133,278,928.90	35,279,222.94		314,568,933.25	301,884,277.50
Total		5,248,672,049.08	603,935,043.26	842,458,880.26	122,474,954.04	6,817,540,926.64	6,876,484,020.86

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For the year ended December 31, 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)**

As at December 31, 2024

Item	Immediate repayment	Within one year	1-2 years	2-5 years	Over 5 years	The total amount of the undiscounted contract	Total
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 December 31, 2025		As at December 31, 2024	
	Bank borrowing	Other financing	Bank borrowing	Other financing
Within one year	1,288,708,414.97	146,010,781.41	1,403,514,481.31	41,853,899.80
1-2 years		133,278,928.90		8,919,054.01
2-5 years	471,200,000.00	35,279,222.94		597,562.19
Total	1,759,908,414.97	314,568,933.25	1,403,514,481.31	51,370,516.00

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For the year ended December 31, 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 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 December 31, 2025, with other variables held constant, if the borrowing rate calculated on a floating rate basis increases or decreases by 100 basis points, the Company's net profit will decrease or increase by RMB9,840,025.92 (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 current period and prior period, the Company did not sign any forward foreign exchange contract or currency swap contract.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 US dollars, and the foreign currency assets and liabilities are equivalent to the amount denominated in RMB indicated as below:

Item	As at December 31, 2025			As at December 31, 2024		
	US Dollar	Other foreign currencies	Total	US Dollar	Other foreign currencies	Total
Cash and cash equivalents	228,798,790.32	84,952,651.33	313,751,441.65	206,293,187.84	42,166,769.34	248,459,957.18
Accounts receivable	145,076,467.61	104,319,137.14	249,395,604.75	163,121,821.87	194,947,523.89	358,069,345.76
Total	373,875,257.93	189,271,788.47	563,147,046.40	369,415,009.71	237,114,293.23	606,529,302.94

As at December 31, 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 RMB4,786,749.89 (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 December 31, 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 RMB18,978,080.68 and other comprehensive income of RMB17,889,331.20 (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 THE FINANCIAL STATEMENTS

For the year ended December 31, 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; and

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.

11.1 Fair value of assets and liabilities measured at fair value as at December 31, 2025

Item	Fair value as at December 31, 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				
◆ Held-for-trading financial assets		3,414,508,219.18		3,414,508,219.18
Financial assets measured at fair value through profit or loss		3,414,508,219.18		3,414,508,219.18
(1) Debt instrument investment		3,414,508,219.18		3,414,508,219.18
◆ Investment in other equity instruments			1,052,313,600.00	1,052,313,600.00
◆ Other non-current financial assets			1,116,357,687.34	1,116,357,687.34
1. Financial assets measured at fair value through the current profit or loss			1,116,357,687.34	1,116,357,687.34
(1) Investment in equity instruments			1,116,357,687.34	1,116,357,687.34
Total assets with continuous fair value measurement		3,414,508,219.18	2,168,671,287.34	5,583,179,506.52

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For the year ended December 31, 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 December 31, 2025	Major parameters		
		Valuation techniques	Qualitative information	Quantitative information
Structured Deposits	3,414,508,219.18	Market approach	The applicable time deposit interest rate is determined based on the market exchange rate pricing issued as at December 31, 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

Items	Fair value as at December 31, 2025	Unobservable		Quantitative information
		Valuation techniques	input value	
China Merchants RenHe Life Insurance Company Limited (Investments in other equity instruments)	1,052,313,600.00	Market approach	Price-to-book ratio	1.57
China Mobile Equity Fund (Hebei Xiong'an) Partnership investment (Other non-current financial assets)	1,116,357,687.34	Market approach	Liquidity discount	10%-35%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025

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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						For assets held at the end of the reporting period, current unrealized gains or changes included in profit or loss	
				Included		Purchases, issuances, sales, and settlements					
	As at December 31, 2024	Transfer to Level 3	Transfer from Level 3	Included in the current profit or loss	other comprehensive income					As at December 31, 2025	
Item	31, 2024	Level 3	Level 3	or loss	income	Purchases	Issuances	Sales	Settlements	31, 2025	profit or loss
◆ Investment in other equity instruments	1,004,312,400.00				48,001,200.00					1,052,313,600.00	
◆ Other non-current financial assets	1,017,411,627.32			140,388,574.66					41,442,514.64	1,116,357,687.34	140,388,574.66
Financial assets measured at fair value through the current profit or loss	1,017,411,627.32			140,388,574.66					41,442,514.64	1,116,357,687.34	140,388,574.66
- Equity instrument investment	1,017,411,627.32			140,388,574.66					41,442,514.64	1,116,357,687.34	140,388,574.66
Total	2,021,724,027.32			140,388,574.66	48,001,200.00				41,442,514.64	2,168,671,287.34	140,388,574.66
Including: Gains and losses related to financial assets				140,388,574.66							140,388,574.66
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 1.57, which would result in an increase or decrease in fair value of RMB52,615.70 thousand if the price-to-book ratio increased or decreased by 5%.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 (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	Room A2913, Building 5, Yuhang Road No.8 Yard, Shunyi District, Beijing	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 Interests in other entities" for the details of major subsidiaries the Company.

12.3 Joint ventures and associates of the Company

See the "Note 8 Interests in other entities" for the details of major joint ventures or associates of the Company.

12.4 Other related parties

Name of other related party	Relationship with the Company
Air China Co., Ltd.	Subsidiaries of shareholders of the Company
Shenzhen Airlines Co., Ltd.	A shareholder of the Company
China Southern Airlines Co., Ltd.	Subsidiaries 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.	Subsidiaries of shareholders of the Company
China United Airlines Co., Ltd.	Subsidiaries of shareholders of the Company
Hainan Airlines Holding Co., Ltd.	A shareholder of the Company
Sichuan Airlines Co., Ltd.	Subsidiaries of shareholders of the Company
Shandong Airlines Co., Ltd.	A shareholder of the Company
China Communications Information Technology Co., Ltd.	Associate company of the shareholders of the Company
TravelSky Cloud Data Co., Ltd.	Same ultimate controller

NOTES TO THE FINANCIAL STATEMENTS

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12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**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 services*

Related party	Content of related-party transactions	Year 2025	Year 2024
Shenyang Civil Aviation Northeast Cares Co., Ltd. and its subsidiaries	Technology support fee/ Procurement of goods	302,548,339.67	294,064,630.87
Shanghai Civil Aviation East China Cares System Integration Co., Ltd. and its subsidiaries	Technology support fee/ Procurement of goods	80,815,584.85	163,902,530.69
Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	Technology support fee/ Procurement of goods	90,905,215.34	93,340,036.16
Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	Technology support fee/ Procurement of goods	46,867,587.21	53,147,495.46
Heilongjiang TravelSky Airport Network Co., Ltd.	Technology support fee/ Procurement of goods	15,718,052.08	20,489,943.56
Dalian TravelSky Airport Network LLC	Technology support fee/ Procurement of goods	12,355,167.75	12,574,391.30
Hebei TravelSky Airport Network Co., Ltd.	Technology support fee	5,804,371.42	6,646,942.59
Yantai TravelSky Airport Network Co., Ltd.	Technology support fee	4,145,993.74	5,889,084.72
Xinjiang Hangxin Tianyi Technology Innovation Co., Ltd.	Technology support fee/ Procurement of goods	25,417,581.84	650,000.00
Beijing TravelSky Borun Technology Co., Ltd.	Technology support fee	21,766,469.06	19,520,481.43
TravelSky Mobile Technology Co., Ltd.	Technology support fee/ Procurement of goods	19,055,109.59	13,080,170.36
TravelSky Cloud Data Co., Ltd.	Technology support fee	9,367,507.49	6,777,483.66
China Communications Information Technology Co., Ltd.	Technology support fee	3,364,726.53	5,078,839.55
China Southern Airlines Co., Ltd. and its subsidiaries	Technology support fee	8,492,665.76	5,428,259.78
Air China Corporation Limited and its subsidiaries	Technology support fee	2,931,384.76	2,547,061.49
China Eastern Airlines Co., Ltd. And its subsidiaries	Technology support fee	2,162,735.91	62,354.72
Hainan Airlines Holding Co., Ltd. and its subsidiaries	Technology support fee	1,486.79	
Sichuan Airlines Co., Ltd. and its subsidiaries	Technology support fee	-217,371.00	

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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 services*

Related party	Content of related-party transactions	Year 2025	Year 2024
Air China Corporation Limited and its subsidiaries	Aviation Information Technology Service	1,248,367,142.31	1,138,059,452.89
China Southern Airlines Co., Ltd. and its subsidiaries	Aviation Information Technology Service	900,249,567.96	754,373,256.23
China Eastern Airlines Co., Ltd. And its subsidiaries	Aviation Information Technology Service	710,111,304.71	927,654,841.92
Hainan Airlines Holding Co., Ltd. and its subsidiaries	Aviation Information Technology Service	518,249,624.78	426,446,676.55
Sichuan Airlines Co., Ltd. and its subsidiaries	Aviation Information Technology Service	347,572,790.80	271,383,676.73
Shanghai Civil Aviation East China Cares System Integration Co., Ltd. and its subsidiaries	Rendering of services	18,674,666.88	17,639,614.23
Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	Rendering of services	5,026,820.37	8,143,649.15
Shenyang Civil Aviation Northeast Cares Co., Ltd. and its subsidiaries	Rendering of services	2,181,477.69	3,379,527.92
Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	Rendering of services	6,547,507.15	9,648,295.11
Dalian TravelSky Airport Network LLC	Rendering of services	1,466,808.74	4,078,226.13
Hebei TravelSky Airport Network Co., Ltd.	Rendering of services	249,622.69	350,492.59
Yantai TravelSky Airport Network Co., Ltd.	Rendering of services	49,434.00	60,377.36
Heilongjiang TravelSky Airport Network Co., Ltd.	Rendering of services	285,141.11	457,320.10
Xinjiang Hangxin Tianyi Technology Innovation Co., Ltd.	Rendering of services	5,973,121.59	8,038,052.56
Guangzhou Airport Hangyi Information Technology Co., Ltd.	Rendering of services	112,264.15	183,953.92
TravelSky Mobile Technology Co., Ltd.	Rendering of services	61,598,574.69	49,355,488.16
Shanghai Dongmei Online Travel Agency Co., Ltd.	Rendering of services		57,009.42
China TravelSky Holding Company Limited	Rendering of services		169,675.47
TravelSky Cloud Data Co., Ltd.	Sales of goods/Rendering of services	5,542,297.46	5,387,537.07
Civil Aviation Trade Development Co., Ltd.	Rendering of services		51,882.08

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12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**12.5 Related-party transactions (Continued)****12.5.2 Related-party lease**

The Company acted as lessee:

Name of lessor	Type of leased assets	Year 2025					Year 2024				
		Simplified treatment of rental costs for short-term leases and leases of low-value assets		Variable lease payments not included in the lease	Interest expenses incurred on lease		Simplified treatment of rental costs for short-term leases and leases of low-value assets		Variable lease payments not included in the lease	Interest expenses incurred on lease	
		value assets	liabilities	Rent paid	liabilities	Increased Right-of-use assets	value assets	liabilities	Rent paid	lease liabilities	Increased Right-of-use assets
China TravelSky Holding Company Co., Ltd	Buildings and constructions			36,615,207.51	3,404,333.30	103,541,759.48			52,169,607.69	1,027,100.50	147,008,845.59
TravelSky Cloud Data Co., Ltd.	Buildings and constructions			55,917,840.44	5,804,363.94	230,728,382.23			40,801,984.04	1,941,593.47	96,455,805.69
China Eastern Airlines Co., Ltd.	Buildings and constructions			356,036.70	65,018.19	2,026,830.78					
China Eastern Airlines Co., Ltd.	Others			11,071.74	2,021.90	63,028.73					

12.5.3 Loans from and to related parties

Related party	Amount of money on loan	Starting date	Due date	Remarks
Loans from related parties				
China TravelSky Holding Company Limited	471,506,280.00	May 8, 2025	May 8, 2028	Long-term borrowing principal plus accrued interest

Interest expenses incurred during the year amounted to RMB9,567,453.33.

12.5.4 Asset transfer and debt restructuring of related parties

Related party	Content of related-party transactions	Year 2025	Year 2024
Yunnan TravelSky Airport Network Co., Ltd.	Contributions from equity of subsidiaries		61,435,724.75

12.5.5 Remuneration of key management personnel

Item	Year 2025	Year 2024
Remuneration of key management personnel	6,141,664.04	4,029,097.75

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(Amounts are expressed in RMB unless otherwise stated.)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**12.5 Related-party transactions (Continued)****12.5.6 Remuneration of directors and supervisors**

As at December 31, 2025, details of the remuneration (including tax) of directors and supervisors were as below:

Item	Year 2024							
	Salaries, allowances and subsidies of employees (including the medical insurance, unemployment insurance, work-related injury insurance and maternity insurance paid by the Company)				Retired-related benefits (endowment insurance and supplementary enterprise annuity for the aged)			
	Directors (Supervisors)		Directors (Supervisors)		Employee performance bonus (discretionary bonus)		Housing provident funds (payments by the Company)	
	Directors (Supervisors)	meeting allowance (including the balance of cashing out the work allowance)	Directors (Supervisors)	insurance paid by the Company)	bonus	bonus	enterprise annuity for the aged)	Stock appreciation right
	Emoluments/ Basic salary	of cashing out the work allowance)	Bonus/Premium	insurance paid by the Company)	(discretionary bonus)	bonus	enterprise annuity for the aged)	Stock appreciation right
Executive Directors								
Jiang bo*(i) (President)				12,977.81	20,833.00	4,476.00	8,952.48	47,239.29
Huang Rongshun**				294,789.28	1,046,784.00	51,186.00	132,018.24	1,524,777.52
Non-executive Directors								
Sun Yuquan*								
Qu Guangji*								
He Xiaoqun*								
Xi Sheng*								
Independent Non-executive Directors								
Liu Zehong	60,000.00	40,000.00						100,000.00
Chen Yongde	70,000.00	32,000.00						102,000.00
Xu Hongzhi	60,000.00	20,000.00						80,000.00
Supervisors								
Liang Shuang (ii)				457,186.28	289,586.00	51,186.00	127,542.24	925,500.52
Total	190,000.00	92,000.00		764,953.37	1,357,203.00	106,848.00	268,512.96	2,779,517.33

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For the year ended December 31, 2025

(Amounts are expressed in RMB unless otherwise stated.)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**12.5 Related-party transactions (Continued)****12.5.6 Remuneration of directors and supervisors (Continued)**

- # The performance bonus for these Executive Directors is subject to the calculation standard determined by the superior supervisory authority, and consists of the part of performance bonus for the prior year and the advance performance bonus for the current year.
- ## The performance bonuses of these executive directors are implemented in accordance with the standards approved by the higher-level regulatory authorities. Such bonuses include a portion of the performance bonus from the previous year and the advance payment of the performance bonus for the current year. In addition, the performance bonuses of these executive directors for the year 2025 also include part of their term-based performance bonuses for prior years.
- * These directors and supervisors are consisted of the Company's sponsors and shareholders or the full-time employees of the Company's subsidiaries. According to relevant regulatory requirements, they do not collect any remuneration from the Company or these subsidiaries.
- (i) Appointed on 18 December 2025. (Counted from 18 December 2025 to 31 December 2025.)
- (ii) Appointed on 23 January 2025. (Counted from 23 January 2025 to 31 December 2025.)

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12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**12.5 Related-party transactions (Continued)****12.5.6 Remuneration of directors and supervisors (Continued)**

Year 2024									
	Directors (Supervisors)			Salaries, allowances and subsidies of employees (including 4 insurances, the medical insurance, unemployment insurance, work-related injury insurance and maternity insurance paid by the Company)	Employee performance bonus (discretionary bonus)	Housing provident funds (payments by the Company)	Retired-related benefits (endowment insurance and supplementary enterprise annuity for the aged)	Stock appreciation right	Total (including tax)
Item	Directors (Supervisors) Emoluments/ Basic salary	meeting allowance (including the balance of cashing out the work allowance)	Directors (Supervisors) Bonus/Premium						
Executive Directors									
Huang Rongshun* (Director)				288,787.02	491,596.00	49,806.00	123,863.04		954,052.06
Non-executive Directors									
Sun Yuquan*(i)									
Qu Guangji*(ii)									
Xi Sheng*									
Zhao Xiaohang*(iii)									
Luo Lajun*(iii)									
Independent Non-executive Directors									
Liu Zehong	60,000.00	40,000.00							100,000.00
Chen Yongde	70,000.00	21,000.00							91,000.00
Xu Hongzhi	60,000.00	20,000.00							80,000.00
Supervisors									
Zhang Xin (Staff representative supervisor)(iii)				249,794.68	268,778.00	46,626.00	93,257.52		658,456.20
Yang Jun*									
Bai Bin*									
Liang Shuang (Staff representative supervisor)(iv)				11,161.35	18,358.62	2,244.00	5,612.76		37,376.73
Total	190,000.00	81,000.00		549,743.05	778,732.62	98,676.00	222,733.32		1,920,884.99

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For the year ended December 31, 2025

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12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**12.5 Related-party transactions (Continued)****12.5.6 Remuneration of directors and supervisors (Continued)**

- * These directors and supervisors are consisted of the Company's sponsors and shareholders or the full-time employees of the Company's subsidiaries. According to relevant regulatory requirements, they do not collect any remuneration from the Company or these subsidiaries.
- # The performance bonus for these Executive Directors is subject to the calculation standard determined by the superior supervisory authority, and consists of the part of performance bonus for the prior year and the advance performance bonus for the current year.
- (i) Appointed on 25 January 2024.
- (ii) Resigned on 25 January 2024.
- (iii) Appointed on 17 January 2024.
- (iv) Resigned on 17 January 2024.

12.5.7 Remuneration of directors and the highest-paid persons***Five highest-paid persons***

Among the five highest-paid persons in the Group in 2025, there were 1 director (2024: 0 director). The remuneration information of 4 highest-paid persons in 2025 (2024: 5 persons) is as follows:

Item (Five highest-paid, non-director persons)	Year 2025	Year 2024
Salaries, bonuses, allowances and subsidies	4,907,184.04	5,842,735.77
<i>Including: Employee performance bonus</i>		
<i>(Discretionary bonus)</i>	3,535,526.92	3,630,095.67
Housing provident funds paid by the Company	204,744.00	249,030.00
Endowment insurance and enterprise annuity paid by the Company	539,466.96	739,513.20
Sub-total	5,651,395.00	6,831,278.97
Stock appreciation right (shares)		
Fair value of each share of stock appreciation right		
Amount of stock appreciation right		
Total	5,651,395.00	6,831,278.97

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(Amounts are expressed in RMB unless otherwise stated.)

12 RELATED PARTIES AND RELATED-PARTY TRANSACTIONS (CONTINUED)**12.5 Related-party transactions (Continued)****12.5.7 Remuneration of directors and the highest-paid persons (Continued)***Five highest-paid persons (Continued)*

The remuneration falls within the following scope:

Item	2025 (Number of persons)	2024 (Number of persons)
HKD0 – HKD1,000,000 (equivalent to RMB903,200) (2024: RMB926,000)		
HKD1,000,001 – HKD1,800,000 (equivalent to RMB1,625,760) (2024: RMB1,666,800)	5	5

As at December 31, 2025, the Group has not paid to directors, supervisors or five highest-paid persons for the purpose of attracting them to join in the Group or at the time when they joined the Group or for their dismissal (2024: None), and no director or supervisor has quitted or agreed to quite any payment (2024: None).

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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 December 31, 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	488,588,530.51	12,313,825.14	462,986,303.06	5,573,928.78
	China Southern Airlines Company Limited and its subsidiaries	939,277,991.17	184,496,534.62	1,463,655,332.87	183,048,988.37
	China Eastern Airlines Corporation Limited and its subsidiaries	1,354,926,814.21	3,383,030.92	691,061,423.97	2,821,947.98
	Hainan Airlines Holding Co., Ltd. and its subsidiaries	322,206,031.66	71,063,666.42	377,538,992.73	155,618,574.91
	Sichuan Airlines Co., Ltd. and its subsidiaries	296,143,614.05		56,182,379.74	1,799.96
	Shanghai Civil Aviation East China Cares System Integration Co., Ltd. and its subsidiaries	12,975,288.35		34,275,366.51	5.01
	Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	2,781,100.00		9,793,100.00	
	Shenyang Civil Aviation Northeast Cares Co., Ltd. and its subsidiaries	501,050.00		668,218.87	
	Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	5,348,410.81		19,897,573.29	
	Dalian TravelSky Airport Network LLC	1,365,729.70		1,868,079.55	
	Hebei TravelSky Airport Network Co., Ltd.	4,700,140.00		4,511,540.00	
	Heilongjiang TravelSky Airport Network Co., Ltd.			115,400.00	
	Xinjiang Hangxin Tianyi Technology Innovation Co., Ltd.	28,614,232.25		30,080,424.56	
	Yantai TravelSky Airport Network Co., Ltd.	10,100.00		4,900.00	
	Guangzhou Air Port Air Wing Information Technology Co., Ltd.	104,000.00		98,113.21	
	TravelSky Mobile Technology Limited	166,810,903.42		103,282,623.97	
	TravelSky Cloud Data Co., Ltd.	9,196,074.59		6,745,685.54	
	China Communications Information Technology Co., Ltd.	205,589.74			

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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 December 31, 2025		As at December 31, 2024	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Notes receivable	Hainan Airlines Holding Co., Ltd. and its subsidiaries	141,666,297.58		170,223,062.52	
Advances to suppliers	China Southern Airlines Company Limited and its subsidiaries	39.90		39.90	
	Shanghai Civil Aviation East China Cares System Integration Co., Ltd. and its subsidiaries	8,745,929.93		2,883,785.53	
	Shenyang Civil Aviation Northeast Cares Co., Ltd. and its subsidiaries	1,864,196.61		2,317,168.99	
	Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	11,216,426.40		1,210,867.60	
	Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	631,127.60		681,597.60	
	Dalian TravelSky Airport Network LLC	564,000.00		14,000.00	
	TravelSky Mobile Technology Limited	725,388.00		57,468.00	
	TravelSky Cloud Data Co., Ltd.	333,250.30			

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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 December 31, 2025		As at December 31, 2024	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other receivables					
	China Southern Airlines Company Limited and its subsidiaries	277,754.42		111,757,496.53	
	China Eastern Airlines Corporation Limited and its subsidiaries	335,039,312.75		234,883,053.43	
	Air China Limited and its subsidiaries	534,934,740.91		386,297,991.40	
	Hainan Airlines Holding Co., Ltd. and its subsidiaries	6,326,038.29		20,000.00	
	Sichuan Airlines Co., Ltd. and its subsidiaries	6,707,097.91		10,493,602.57	
	Shenyang Civil Aviation Northeast Cares Co., Ltd. and its subsidiaries	2,499,241.80		1,827,160.30	
	Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	774,635.91		820,226.23	
	Shanghai Civil Aviation East China Cares System Integration Co., Ltd. and its subsidiaries	6,246,514.94		4,686,311.62	
	Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	965,249.60		1,062,053.76	
	Dalian TravelSky Airport Network LLC	284,523.44		570,945.78	
	Guangzhou Air Port Air Wing Information Technology Co., Ltd.	4,691.75		4,691.75	
	Hebei TravelSky Airport Network Co., Ltd.	525,623.18		268,201.38	
	Heilongjiang TravelSky Airport Network Co., Ltd.	279,579.96		233,979.20	
	TravelSky Mobile Technology Limited	4,501,183.46		3,343,950.14	
	Shanghai Tiantongxing Business Travel Service Co., Ltd.			1,019,254.39	
	Xinjiang TravelSky E-surfing Science and Technology Co., Ltd.			86,283.19	
	China TravelSky Holding Company Limited	482,627.94		482,627.94	
	TravelSky Cloud Data Co., Ltd.	2,173,846.92		2,980,032.26	
	China Communications Information Technology Co., Ltd	6,922,487.21		5,747,105.49	

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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 December 31, 2025		As at December 31, 2024	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Contract assets					
	China Eastern Airlines Corporation Limited and its subsidiaries	257,416.66			
	Air China Limited and its subsidiaries	4,454,432.78			
	China Southern Airlines Company Limited and its subsidiaries	29,006.08		16,000.00	
	Hainan Airlines Holding Co., Ltd. and its subsidiaries	4,335.36		6,060.00	
	Sichuan Airlines Co., Ltd. and its subsidiaries	4,335.36			
	Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	11,318.40		29,543.40	
	Dalian TravelSky Airport Network LLC	59,949.85		15,000.00	
	Heilongjiang TravelSky Airport Network Co., Ltd.	32,400.00		32,400.00	
	Xinjiang TravelSky E-surfing Science and Technology Co., Ltd.	191,420.00		12,520.00	
	Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	10,140.00		10,140.00	
	Shanghai Civil Aviation East China Kaiya System Integration Co., Ltd. and its subsidiaries	374,466.12			
	Shenyang Civil Aviation Northeast Kaiya Co., Ltd. and its subsidiaries	5,250.00			

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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 December 31, 2025	As at December 31, 2024
Accounts payable			
	China TravelSky Holding Company Limited	968,475.59	968,475.59
	TravelSky Cloud Data Co., Ltd.	15,179,263.43	9,824,652.71
	China Communications Information Technology Co., Ltd.	1,669,493.71	3,536,151.86
	China Southern Airlines Company Limited and its subsidiaries	3,147,432.21	376,364.79
	Air China Limited and its subsidiaries	781,418.14	701,916.60
	China Eastern Airlines Corporation Limited and its subsidiaries	106,543.68	
	Sichuan Airlines Co., Ltd. and its subsidiaries	32,513.95	
	Shenyang Civil Aviation Northeast Cares Co., Ltd. and its subsidiaries	157,760,233.59	160,163,523.58
	Chengdu Civil Aviation Southwest Cares Co., Ltd. and its subsidiaries	52,584,635.05	52,023,237.58
	Shanghai Civil Aviation East China Cares System Integration Co., Ltd. and its subsidiaries	133,686,833.91	126,250,845.89
	Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries	16,288,287.40	17,408,850.89
	Xinjiang TravelSky E-surfing Science and Technology Co., Ltd.	27,029,076.00	28,280,746.00
	Guangzhou Skyecho Information Technology Co., Ltd.		11,667.00
	Hebei TravelSky Airport Network Co., Ltd.	1,847,511.02	1,572,625.69
	Dalian TravelSky Airport Network LLC	2,909,830.65	806,383.89
	Heilongjiang TravelSky Airport Network Co., Ltd.	2,009,984.94	10,432,595.53
	Yantai TravelSky Airport Network Co., Ltd.	90,961.89	274,210.80
	Beijing TravelSky Borun Technology Co., Ltd.	2,902,225.92	2,632,352.40
	TravelSky Mobile Technology Limited	25,926,184.12	14,595,217.45
Other payables			
	China Eastern Airlines Corporation Limited and its subsidiaries	3,671,656.69	21,438,326.00
	China Southern Airlines Company Limited and its subsidiaries	25,487,772.54	640,047.13
	Air China Limited and its subsidiaries	42,298,389.37	1,467,835.45

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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 December 31, 2025	As at December 31, 2024
	Hainan Airlines Holding Co., Ltd. and its subsidiaries	1,057,613.01	
	Yunnan TravelSky Airport Network Co., Ltd. and its subsidiaries		35,669.40
	TravelSky Mobile Technology Limited	425,600.00	425,600.00
	Shanghai Tiantong Business Travel Agency Co., Ltd.		984.00
	China TravelSky Holding Company Limited	7,849,552.71	11,632,948.30
	China Communications Information Technology Co., Ltd.	439,259.78	976,565.24
	TravelSky Cloud Data Co., Ltd.	12,780.00	8,500.00
Contract liabilities			
	China Southern Airlines Company Limited and its subsidiaries	89,627,437.43	89,510,917.18
	Air China Limited and its subsidiaries	105,058,231.47	121,805,032.43
	China Eastern Airlines Corporation Limited and its subsidiaries	238,363,549.16	142,080,093.54
	Hainan Airlines Holding Co., Ltd. and its subsidiaries	79,019,357.43	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	2,747,033.10	12,994.50
	Chengdu Civil Aviation Southwest Kaiya Co., Ltd. and its subsidiaries	91,509.43	
	Dalian TravelSky Airport Network LLC		85,840.71
	Heilongjiang TravelSky Airport Network Co., Ltd.	535,849.05	418,074.81
	Xinjiang TravelSky Tianyi Technology Innovation Co., Ltd.	2,603,773.58	
	Yantai TravelSky Airport Network Co., Ltd.	94.34	
	Shanghai Tiantong Business Travel Agency Co., Ltd.		227,021.93
	TravelSky Cloud Data Co., Ltd.		62,326.18
	China Communications Information Technology Co., Ltd.	281,841.22	

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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 December 31, 2025	As at December 31, 2024
Current portion of non-current liabilities			
	China TravelSky Holding Company Limited	306,280.00	200,213,888.89
Long-term borrowings			
	China TravelSky Holding Company Limited	471,200,000.00	

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 December 31, 2025, the Company made the actual capital contribution (including fund management fees) of RMB861,704,161.66.

Except for the case mentioned above, the Group has no other commitments required to be disclosed.

14.2 Contingencies

As at December 31, 2025, the Group had no significant contingencies required to be disclosed.

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15 POST BALANCE SHEET EVENTS**15.1 Significant non-adjusting events**

A subsidiary of the Company, China Aviation Clearing Company Limited, provided a capital ring-fencing guarantee to its subsidiary, Beijing Asia Tech Payment Technology Co., Ltd., in respect of the BOP business, with a guaranteed amount of RMB500 million and a guarantee term from January 1, 2026 to December 31, 2026.

15.2 Profit distribution

Profit or dividend to be distributed (RMB)	807,633,846.56
Dividend to be distributed per shares (RMB)	0.276

On March 26, 2026, the board of directors proposed a final cash dividend in respect of the year ended December 31, 2025 totaling RMB807,633,846.56, representing RMB0.276 per share (tax included). The dividend is calculated based on 2,926,209,589 issued shares of the Company as at the balance sheet date. The proposed final dividend is subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

16 OTHER SIGNIFICANT EVENTS**16.1 Annuity plan**

All full-time employees of the Group participate in the basic endowment insurance established by the government in accordance with national policies. For the year ended December 31, 2025, the Group contributed basic endowment insurance premiums at a rate of up to 16% of the employees' basic salaries, not exceeding the cap stipulated by the relevant government authorities. Employees contribute basic endowment insurance premiums at a proportion of their salaries as prescribed by the government. Upon reaching the statutory retirement age, employees are entitled to receive basic pension benefits monthly. For the year ended December 31, 2025, the total basic endowment insurance expenses of the Group amounted to RMB236,561,775.12 (for the year ended December 31, 2024: RMB215,567,775.32).

In addition, the Group has established an enterprise annuity plan. Contributions to the enterprise annuity plan are jointly made by the enterprise and the employees. Employees may voluntarily choose to participate or not participate in the enterprise annuity plan of the Company. For the year ended December 31, 2025, the total expenses in respect of the enterprise annuity plan of the Group amounted to RMB100,247,111.51 (for the year ended December 31, 2024: RMB88,984,793.65).

As at December 31, 2025, the Group had no forfeited contributions available to offset its contributions to the defined contribution retirement plans administered by the Group in future years.

As at December 31, 2025, the Group did not have any defined benefit plans.

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16 OTHER SIGNIFICANT EVENTS (CONTINUED)**16.2 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 December 31, 2025 and December 31, 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.

16.3 Auditor's Remuneration Statement

Items	As at December 31, 2025	As at December 31, 2024
Auditor's Remuneration	2,124,900.00	2,124,900.00
Total	2,124,900.00	2,124,900.00

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 (based on invoice date)**

Aging	As at December 31, 2025	As at December 31, 2024
Within 1 year	3,655,086,170.24	3,975,685,791.61
Including: Subitem within 1 year		
Within 6 months	2,602,710,142.96	2,897,397,990.87
7 – 12 months	1,052,376,027.28	1,078,287,800.74
1 – 2 years	1,246,969,578.14	756,251,494.45
2 – 3 years	135,796,887.31	348,425,060.89
3 – 4 years	310,845,019.95	48,399,939.70
4 – 5 years	9,132,309.23	138,555,045.10
Over 5 years	278,317,655.61	223,498,357.48
Sub-total	5,636,147,620.48	5,490,815,689.23
Less: Provision for bad debts	963,679,675.81	989,732,625.11
Total	4,672,467,944.67	4,501,083,064.12

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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**

Category	As at December 31, 2025					As at December 31, 2024				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
	Proportion		Proportion of provision			Proportion		Proportion of provision		
	Amount	(%)	Amount	(%)	Book value	Amount	(%)	Amount	(%)	Book value
Provision for bad debts accrued on an individual basis	820,110,133.03	14.55	478,878,763.72	58.39	341,231,369.31	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	4,816,037,487.45	85.45	484,800,912.09	10.07	4,331,236,575.36	4,553,740,094.85	82.93	367,117,916.72	8.06	4,186,622,178.13
Total	5,636,147,620.48	100.00	963,679,675.81		4,672,467,944.67	5,490,815,689.23	100.00	989,732,625.11		4,501,083,064.12

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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:

Name	As at December 31, 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	247,190,566.69	47,507,434.54	19.22	Poor financial situation	233,931,425.17	50,504,038.94
Customer 2	184,398,119.10	184,398,119.10	100.00	Significant uncertainty as to recoverability	182,618,679.13	182,618,679.13
Customer 3	153,754,954.72	146,065,215.60	95.00	Operating difficulties	148,121,954.26	132,043,017.56
Customer 4	71,665,376.40	34,870,718.93	48.66	Significant uncertainty as to recoverability	62,246,713.30	34,005,774.28
Customer 5	24,511,337.63	6,135,134.25	25.03	Poor financial situation	54,499,754.25	39,276,262.72
Customer 6	23,392,944.35	3,509,150.19	15.00	Poor financial situation	57,194,823.29	45,248,042.32
Customer 7	22,866,265.84	13,231,590.61	57.87	Poor financial situation	79,762,103.19	69,810,061.38
Customer 8	19,461,818.54	4,054,530.90	20.83	Poor financial situation	18,162,189.27	3,906,929.28
Others	72,868,749.76	39,106,869.60	53.67		100,537,952.52	65,201,902.78
Total	820,110,133.03	478,878,763.72			937,075,594.38	622,614,708.39

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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:

Item accrued on a portfolio basis:

Name	As at December 31, 2025		
	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Accounts receivable from third-parties	1,564,663,694.96	484,800,912.09	30.98
Accounts receivable from related parties	3,251,373,792.49		
Total	4,816,037,487.45	484,800,912.09	

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

Item	As at December 31, 2024	Changes in the current period				As at December 31, 2025
		Provision	Reversal or Recovery	Write-off or Charge-off	Other changes	
Provision for bad debts accrued on an individual basis	622,614,708.39	-133,440,039.66	10,295,905.01			478,878,763.72
Provision for bad debts accrued on a portfolio basis	367,117,916.72	117,726,183.69		43,188.32		484,800,912.09
Total	989,732,625.11	-15,713,855.97	10,295,905.01	43,188.32		963,679,675.81

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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)****17.1.3 Provision, reversal or recovery of provision for bad debts in Year 2025 (Continued)**

Of which, significant amounts of bad debt provisions recovered or reversed during the period:

Name of entity	Amount recovered or reversed	Reason for reversal	Method of collection	Basis for recognizing the original bad debt provision and its reasonableness
Customer a	627,033.34	Collection pursuant to bankruptcy and reorganization agreement	Cash collection	Poor financial condition
Customer b	9,668,871.67	Payments received from the other party in the current period	Cash collection	Deteriorated operating condition
Total	10,295,905.01			

17.1.4 Details of accounts receivable actually written off during the period

Item	Amount written off
Accounts receivable actually written off	43,188.32

17.1.5 Top Five Customers by Ending Balance of Accounts Receivable and Contract Assets

The aggregate ending balance of accounts receivable and contract assets for the top five customers by customer balance is RMB2,589,683,152.78, accounting for 45.10% of the total ending balance of accounts receivable and contract assets. The corresponding accumulated provision for bad debts as at the end of the period amounted to RMB232,505,553.65.

17.2 Other receivables

Item	As at December 31, 2025	As at December 31, 2024
Interest receivable		
Dividends receivable	51,786,700.00	52,433,800.00
Other receivables	295,480,028.38	312,323,447.16
Total	347,266,728.38	364,757,247.16

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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)

17.2.1 Dividends receivable

Details of dividends receivable

Item (or investee)	As at December 31, 2025	As at December 31, 2024
Xi'an Civil Aviation Kaiya Technology Co., Ltd.	4,735,100.00	
Hubei Civil Aviation Kaiya Co., Ltd.	1,125,000.00	
Shanghai Civil Aviation East China Kaiya System Integration Co., Ltd.		2,050,000.00
Yunnan Hangxin Airport Network Co., Ltd.		2,560,000.00
Xinjiang Civil Aviation Kaiya Information Network Co., Ltd.	20,127,500.00	29,412,700.00
Hainan Civil Aviation Kaiya Co., Ltd.	9,079,100.00	7,711,100.00
Qingdao Civil Aviation Cares Co., Ltd.	11,220,000.00	10,200,000.00
Xinjiang TravelSky E-surfing Science and Technology Co., Ltd.	5,500,000.00	500,000.00
Sub-total	51,786,700.00	52,433,800.00
Less: Provision for bad debts		
Total	51,786,700.00	52,433,800.00

17.2.2 Other receivables

(1) Disclosure by aging

Aging	As at December 31, 2025	As at December 31, 2024
Within 1 year	99,276,329.16	99,846,693.29
Including: Subitem within 1 year		
Within 6 months	98,321,432.16	86,388,449.60
7 – 12 months	954,897.00	13,458,243.69
1 – 2 years	17,817,335.38	67,728,759.40
2 – 3 years	36,995,910.07	17,486,628.25
3 – 4 years	16,236,274.49	9,328,105.81
4 – 5 years	8,978,105.66	2,309,474.98
Over 5 years	116,176,073.62	115,623,785.43
Sub-total	295,480,028.38	312,323,447.16
Less: Provision for bad debts		
Total	295,480,028.38	312,323,447.16

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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**

Category	As at December 31, 2025					As at December 31, 2024				
	Book balance		Provision for bad debts			Book balance		Provision for bad debts		
			Proportion					Proportion		
	Amount	(%)	Amount	(%)	Book value	Amount	(%)	Amount	(%)	Book value
Provision for bad debts accrued on an individual basis										
Provision for bad debts on portfolio basis of credit risk characteristics	295,480,028.38	100.00			295,480,028.38	312,323,447.16	100.00			312,323,447.16
Total	295,480,028.38	100.00			295,480,028.38	312,323,447.16	100.00			312,323,447.16

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

Item accrued on a portfolio basis:

Portfolio	As at December 31, 2025		
	Other receivables	Provision for bad debts	Proportion of provision (%)
Related parties	57,797,754.64		
Third parties	237,682,273.74		
Total	295,480,028.38		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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)

(3) Classification of other receivables by the nature of payment

Nature	As at December 31, 2025	As at December 31, 2024
Insurance reserve funds of personnel stationed abroad	106,446,937.42	96,618,231.78
Advance payments	43,546,773.31	71,906,010.51
Deposit payments	5,835,906.78	6,597,859.28
Reserve funds	44,852.68	124,153.49
Others	139,605,558.19	137,077,192.10
Total	295,480,028.38	312,323,447.16

(4) Details of the Top Five Other Receivables by Ending Balance Grouped by

Name of Entity	Nature of Amounts	As at December 31, 2025	Aging	Percentage of Total Other Receivables Ending Balance (%)	Provision for Bad Debts Ending Balance
TravelSky International Limited	Intercompany borrowings	137,854,638.62	0-5 years	46.65	
Infosky Technology Co., Ltd.	Insurance reserve funds of personnel stationed abroad	35,357,303.92	Within 6 months	11.97	
Beijing Civil Aviation Information Technology Co., Ltd.	Insurance reserve funds of personnel stationed abroad	10,044,833.24	Within 6 months	3.40	
Xinjiang Civil Aviation Kaiya Information Network Co., Ltd.	Insurance reserve funds of personnel stationed abroad	7,777,585.05	Within 6 months	2.63	
China Communications Information Technology Co., Ltd.	Insurance reserve funds of personnel stationed abroad	6,922,487.21	Within 6 months	2.34	
Total		197,956,848.04		66.99	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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**

Category	As at December 31, 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	712,981,968.32		712,981,968.32	682,451,949.73		682,451,949.73
Total	2,779,881,525.64		2,779,881,525.64	2,749,351,507.05		2,749,351,507.05

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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	As at December 31, 2024	Provision for impairment as at December 31, 2024	Increase/decrease in 2025				Provision for impairment as at December 31, 2025
			Additional investment	Reduced investment	Provision for impairment in 2025	Others	As at December 31, 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
Civil Aviation Cares Technology of Xinjiang 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
China Aviation Accounting Co., Ltd.	853,519,487.07						853,519,487.07
TravelSky International Limited	11,364,427.02						11,364,427.02
TravelSky Technology (Singapore) Limited	353,594,927.55						353,594,927.55
TravelSky Cares (Beijing) Property Co., Ltd.	10,000,000.00						10,000,000.00
Hunan TravelSky Technology Limited	30,000,000.00						30,000,000.00
Inner Mongolia Civil Aviation Information Technology Co., Ltd.	5,000,000.00						5,000,000.00
Beijing TravelSky Travel Service Co., Ltd.	72,000,000.00						72,000,000.00
Travelsky Yunzhi Technology (Beijing) Co., Ltd.	50,000,000.00						50,000,000.00
Henan Civil Aviation Information Technology Co., Ltd.	10,000,000.00						10,000,000.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 (Continued)**

Investees	As at December 31, 2024	Provision for impairment as at December 31, 2024	Increase/decrease in 2025				As at December 31, 2025	Provision for impairment as at December 31, 2025
			Additional investment	Reduced investment	Provision for impairment in 2025	Others		
Zhejiang Civil Aviation Information Technology Co., Ltd.	19,047,100.00						19,047,100.00	
Beijing TravelSky Technology Limited	50,010,000.00						50,010,000.00	
Guangzhou Skyecho Information Technology Co., Ltd.	4,000,000.00						4,000,000.00	
TravelSky Digital Intelligence Technology (Beijing) Co., Ltd.	5,000,000.00						5,000,000.00	
Total	2,066,899,557.32						2,066,899,557.32	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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	Provision for impairment		Increase/decrease in 2025								Provision for impairment	
	As at	as at	Profit or loss on investments recognized		Adjustment to other comprehensive income		Cash dividends or profits declared		Provision for impairment		As at	as at
	December 31, 2024	December 31, 2024	Additional investment	Reduced investment	under the equity method	Changes in income	other equity	to be distributed	Provision for impairment	Others	December 31, 2025	December 31, 2025
1. Joint ventures												
Heilongjiang TravelSky Airport Network Co., Ltd.	26,353,430.47				3,917,051.76			1,000,000.00			29,270,482.23	
Dalian TravelSky Airport Network LLC	26,365,554.68				3,105,883.13			5,000,000.00			24,471,437.81	
Hebei TravelSky Airport Network Co., Ltd.	15,926,740.70				1,979,634.11			1,000,000.00			16,906,374.81	
Xinjiang Hangxin Tianyi Technology Innovation Co., Ltd.	31,548,971.16				9,404,606.29			5,000,000.00			35,953,577.45	
Yunnan TravelSky Airport Network Co., Ltd.	117,000,426.96				6,892,436.96			1,500,000.00			122,392,863.92	
Sub-total	217,195,123.97				25,299,612.25			13,500,000.00			228,994,736.22	
2. Associates												
Beijing TravelSky Borun Technology Co., Ltd.	61,237,607.23				7,103,292.24						68,340,899.47	
TravelSky Mobile Technology Limited	35,331,290.71				-9,014,747.81						26,316,542.90	
Shanghai Civil Aviation East China Cares System Integration Co., Ltd.	94,315,008.91				1,905,428.47	467,210.85		2,050,000.00			94,637,648.23	
Shenyang Civil Aviation Northeast Cares Co., Ltd.	164,649,228.86				14,757,618.66			2,861,200.00			176,545,647.52	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 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 (Continued)**

Investees	As at December 31, 2024	Provision for impairment as at December 31, 2024	Increase/decrease in 2025											
			Profit or loss on investments recognized under the equity method			Adjustment to other comprehensive income		Cash dividends or profits declared to be distributed		Provision for impairment		Others		
			Additional investment	Reduced investment										
			Investment	Investment	equity method	comprehensive income	other equity	to be distributed	Provision for impairment	Others	As at December 31, 2025	as at December 31, 2025		
Chengdu Civil Aviation														
Southwest Cares Co., Ltd	94,656,368.59			11,651,467.05			2,601,800.00				103,706,035.64			
Guangzhou Airport Hangyi														
Information Technology														
Co., Ltd.	6,946,968.81			655,609.85			600,000.00				7,002,578.66			
Yantai TravelSky Airport														
Network Co., Ltd.	8,120,352.65			757,527.03			1,440,000.00				7,437,879.68			
Sub-total	465,256,825.76			27,816,195.49		467,210.85	9,553,000.00				483,987,232.10			
Total	682,451,949.73			53,115,807.74		467,210.85	23,053,000.00				712,981,968.32			

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated.)

17 NOTES TO THE MAIN ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

17.4 Operating revenue and operating costs

17.4.1 Operating revenue and operating costs

Item	Year 2025		Year 2024	
	Revenue	Cost	Revenue	Cost
Primary business	6,858,162,073.37	3,418,318,060.77	7,031,500,960.54	3,605,842,241.51
Other business	12,795,001.14	8,273,846.19	25,902,723.88	8,252,487.03
Total	6,870,957,074.51	3,426,591,906.96	7,057,403,684.42	3,614,094,728.54

17.4.2 Significant contractual changes or significant transaction price adjustments

Item	Accounting treatment	Amount of impact on revenue
Airline Service Agreement Fee Model	Changes in contracts, offset by income in the period in which the contract is changed	-63,675,505.96
Total		-63,675,505.96

17.5 Investment income

Item	Year 2025	Year 2024
Long-term equity investment income calculated under the cost method	17,119,361.93	13,032,745.31
Long-term equity investment income calculated under the equity method	53,231,102.27	28,298,087.79
Investment income from disposal of long-term equity investment		19,878,277.93
Investment income from trading financial assets during the holding period	17,505,692.03	30,197,201.10
Interest income from debt investments during the holding period	15,359,656.64	
Total	103,215,812.87	91,406,312.13

TRAVELSKY TECHNOLOGY LIMITED

March 26, 2026

BIOGRAPHIES OF DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

As of the latest practicable date April 15, 2026 before the issue date of this report

DIRECTORS

Mr. Jiang Bo, 58 years old, Chairman, Executive Director and secretary of the Party Committee of the Company, graduated from Hangzhou Dianzi University (formerly Hangzhou Institute of Electronic Engineering* (杭州電子工業學院)) majoring in circuits and systems and is a doctoral supervisor and senior engineer (second grade researcher-level). From May 1992 to December 2011, he worked at the 26th Research Institute of China Electronics Technology Group Corporation* (中國電子科技集團公司第二十六研究所), successively holding the positions of deputy director of department, director, assistant to the director, deputy secretary of the Party Committee (presiding), and deputy director. From December 2011 to July 2016, he served as director and deputy secretary of the Party Committee of the 33rd Research Institute of China Electronics Technology Group Corporation* (中國電子科技集團公司第三十三研究所). From October 2014 to July 2016, he served as director and executive deputy general manager (chief member level) of China Electronic Science and Technology Network Information Security Co., Ltd.* (中國電子科技網絡信息安全有限公司). From November 2016 to March 2021, he worked at China Electronics Technology Software Information Service Co., Ltd.* (中電科軟件信息服務有限公司), successively holding positions as director, deputy general manager (chief member level), general manager, deputy secretary of the Party Committee, chairman, and secretary of the Party Committee. From July 2016 to April 2019, he served as director and deputy secretary of the Party Committee of the 32nd Research Institute of China Electronics Technology Group Corporation* (中國電子科技集團公司第三十二研究所). From April 2019 to December 2021, he served as director and secretary of the Party Committee of the 32nd Research Institute of China Electronics Technology Group Corporation* (中國電子科技集團公司第三十二研究所). From November 2019 to February 2026, he served as chairman of CETC Digital Technology Co., Ltd.* (中電科數字技術股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 600850, formerly Shanghai East-China Computer Co., Ltd.* (上海華東計算機股份有限公司)). From March 2021 to December 2025, he served as chairman and secretary of the Party Committee of China Electronics Technology Digital Technology (Group) Co., Ltd.* (中電科數字科技(集團)有限公司), and concurrently as a director of Cethik Group Co., Ltd.* (中電海康集團有限公司). From December 2021 to December 2025, he served as secretary of the Party Committee of the 32nd Research Institute of China Electronics Technology Group Corporation* (中國電子科技集團公司第三十二研究所). From July 2024 to February 2026, he served as secretary of the Party Committee of CETC Digital Technology Co., Ltd.* (中電科數字技術股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 600850). Since November 2025, he has been serving as Chairman of the Board, Party Committee Secretary of China TravelSky Holding Company Limited and Party Committee Secretary of the Company. Since December 2025, he has been serving as the Chairman and an Executive Director of the seventh session of the Board of the Company, and appointed as the Chief Member (Chairman) of the Nomination Committee and the Strategy Committee. China TravelSky Holding Company Limited has interests in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, and Mr. Jiang is the Chairman of China TravelSky Holding Company Limited.

BIOGRAPHIES OF DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

As of the latest practicable date April 15, 2026 before the issue date of this report

Mr. Sun Yuquan, aged 53, Non-executive Director of the Company, graduated from Nanjing University of Science and Technology majoring in accounting. He is a researcher-level senior engineer and a senior accountant. He served as the general manager of the finance department of China Rong Tong Asset Management Group Corporation Limited from July 2019 to February 2022. He has been serving as the chief accountant and a member of the Communist Party Group of China National Aviation Holding Corporation Limited* (中國航空集團有限公司) since February 2022. Since March 2022, he has been serving as a member of the Standing Committee of the Communist Party Committee of Air China Limited, and concurrently as the chairman of China National Aviation Capital Holding Co., Ltd. and the chairman of China National Aviation Media Co., Ltd. He has served as a Non-executive Director of Cathay Pacific Airways Limited, a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 00293), since May 2022. He has been serving as the chief accountant of Air China Limited since March 2023. He served as the Chairman of China National Aviation Finance Co., Ltd. from November 2023 to April 2025, and has been serving as the Chairman of China National Aviation Corporation (Group) Limited since April 2024. Since January 2024, Mr. Sun has been serving as a Non-executive Director of the seventh session of the Board of the Company and has been appointed as a member of the Strategy Committee. China National Aviation Holding Corporation Limited has interests in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, and Mr. Sun is the chief accountant of China National Aviation Holding Corporation Limited.

Mr. Qu Guangji, aged 56, Non-executive Director of the Company, holds a bachelor's degree in economics from Xi'an Statistical Institute and has obtained a part-time master's degree in economics from Dongbei University of Finance and Economics and a part-time executive master's degree in business administration from Tsinghua University — Ecole des Ponts Paris Tech and Ecole Nationale de l'Aviation Civile. He is an economist. Mr. Qu started his career in July 1993 and served in various positions including the general manager and Deputy Secretary of the CPC General Committee of the capacity network division of Commercial Steering Committee of China Southern Airlines Co., Ltd.* (中國南方航空股份有限公司) [**"China Southern Airlines"**], the general manager and Deputy Secretary of the CPC General Committee of the network income division of Commercial Steering Committee of China Southern Airlines, and the deputy director and Member of Party Committee of Commercial Steering Committee of China Southern Airlines. Mr. Qu served as the general manager and Deputy Secretary of the Party Committee of the Hubei branch of China Southern Airlines in April 2017; the executive vice president and Deputy Secretary of the Party Committee of Xinjiang branch of China Southern Airlines in March 2019; the general manager and Deputy Secretary of the Party Committee of Xinjiang branch of China Southern Airlines in July 2019; the general manager and Deputy Secretary of the Party Committee of Shenzhen branch of China Southern Airlines in August 2021; the deputy general manager and Party Member of China Southern Air Holding Company Limited and the deputy general manager serving of China Southern Airlines from August 2023 to January 2026. Since January 2024, Mr. Qu has been serving as a Non-executive Director of the seventh session of the Board of the Company and has been appointed as a member of the Strategy Committee. He has been serving as director, general manager, and deputy secretary of the party group of China National Aviation Holding Corporation Limited since January 2026. China National Aviation Holding Corporation Limited has interests in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, and Mr. Qu is a director and general manager of China National Aviation Holding Corporation Limited.

BIOGRAPHIES OF DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

As of the latest practicable date April 15, 2026 before the issue date of this report

Ms. He Xiaoqun, 52 years old, Non-executive Director of the Company, holds a Master's degree in Economics from Xiamen University and a Master's degree in Business Administration for Senior Management from Tsinghua University, as well as a Senior Human Resource Manager, is currently a vice president and member of the Party Group of China Eastern Air Holding Company Limited ("**CEA Holding**"), a vice president and a member of the Standing Committee of the Party Committee of China Eastern Airlines Corporation Limited ("**CEA**", a company listed on the Main Board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange; Stock Code: 00670 [Hong Kong Stock Exchange]; 600115 [Shanghai Stock Exchange]). Ms. He joined the civil aviation industry in 2001 and held the positions as the general manager of the human resources department of China Southern Airlines Company Limited ("**CSA**", a company listed on the Main Board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange; Stock Code: 001055 [Hong Kong Stock Exchange]; 600029 [Shanghai Stock Exchange]), the general manager of the human resources department of China Southern Air Holding Company Limited, the chairperson and the secretary of the Party Committee of China Southern Airlines Cargo Logistics (Guangzhou) Co., Ltd., the vice president and the secretary of the Party Committee of the Engineering Technology Branch (Aircraft Engineering Department) of CSA. Since December 2024, she has been serving as a vice president and member of the Party Group of CEA Holding and a member of the Standing Committee of the Party Committee of CEA. Since January 2025, she has been concurrently serving as a vice president of CEA. Since June 2025, Ms. He has been serving as a Non-executive Director of the seventh session of the Board of the Company and has been appointed as a member of the Strategy Committee. China Eastern Airlines Group Co., Ltd. has interests in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, and Ms. He is the vice general manager of China Eastern Airlines Group Co., Ltd.

Mr. Liu Zehong, aged 65, an Independent Non-executive Director of the Company, graduated from China Electric Power Research Institute with a master's degree. Mr. Liu Zehong, a professor-level senior engineer, has been committed to the research and development of key technologies, core equipment and construction of major projects for ultra high voltage (UHV) power transmission. From 2005 to 2011, Mr. Liu Zehong successively served as the deputy director of the UHV office, the construction and operation department and the UHV department of State Grid Corporation of China* (國家電網有限公司) (formerly known as State Grid Corporation* (國家電網公司)). He served as the head of the DC construction department of State Grid Corporation of China from 2011 to 2015, assistant to the general manager of State Grid Corporation of China in 2015, and executive vice president (member of the Party Group) of State Grid Corporation of China from 2015 to 2021. Since September 2022, Mr. Liu Zehong has been the executive vice chairman of the Global Energy Interconnection Development and Cooperation Organization* (全球能源互聯網發展合作組織). He has been serving as an external director of China Huaneng Corporation Ltd* (中國華能集團有限公司) since May 2025. Mr. Liu has served as an Independent Non-executive Director of the seventh session of the Board of the Company, the Chief Member (Chairman) of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee since September 2022, as well as a member of the Strategy Committee since January 2023.

BIOGRAPHIES OF DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

As of the latest practicable date April 15, 2026 before the issue date of this report

Mr. Chan Wing Tak Kevin, aged 60, serves as an Independent Non-executive Director of the Company, Chinese nationality and a resident of Hong Kong Special Administrative Region. Mr. Chan has been a member of the 13th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference since January 2023. He is currently chief executive officer of Concentric Education Foundation (Hong Kong) and executive vice president of Chinese Banking Association of Hong Kong and he also serves as an Independent Non-executive Director of China Communications Construction Company Limited (SEHK, Stock Code: 01800; SSE, Stock Code: 601800) and Royale Home Holdings Limited (SEHK, Stock Code: 01198). Mr. Chan Wing Tak Kevin has extensive experience in finance, securities and banking. He held positions as the head of research division of Nomura International (Hong Kong) Limited in China and Hong Kong and the director of banking department thereof in Asia region, the head of China and Hong Kong Financial Department of CLSA, a senior advisor of KPMG China and a member of the Stock Exchange Listing Review Committee, a member of Election Committee (Finance) of The Government and a member of the Chief Executive's Policy Unit (CEPU) Expert Group of the Hong Kong Special Administrative Region, a member of the Hong Kong Independent Police Complaints Council. Mr. Chan Wing Tak Kevin graduated from London School of Economics and Political Science with a master's degree in economics and has qualification of Fellow Certified Practising Accountant in Australia. Since September 2022, he has served as an Independent Non-executive Director, the Chief Member (Chairman) of the Audit Committee, and a member of the Remuneration Committee of our seventh session of the Board of Directors. He has served as a member of the Financial Education Coordination Committee upon appointment by the SFC of Hong Kong since September 1, 2025.

Mr. Xu Hongzhi, aged 64, an Independent Non-executive Director of the Company, graduated with a major in information processing from Electronic Engineering Department of Northwest Telecommunication Engineering Institute (currently known as Xidian University) and holds an executive master's degree in business administration of Xiamen University, a professor-level senior engineer and entitled to a special government allowance provided by the State Council. Mr. Xu Hongzhi successively served as a teaching assistant of Department 2 of Changchun Institute of Posts and Telecommunications, an assistant Engineer, and engineer of the software division, the deputy head and the head of the research division of the 10th Institute of the Posts and Telecommunications Department and a deputy manager of the Engineering Department of Xi'an Datang Telecom Co., Ltd.* (西安大唐電信有限公司) from August 1983 to May 1996. He served as the deputy director of the 10th Institute of the Posts and Telecommunications Department from May 1996 to February 2001, the director and the secretary of party committee of the 10th Institute of Telecommunications, Science and Technology from February 2001 to March 2003, the deputy head and a member of the Party Group of the Telecommunications, Science and Technology Research Institute from March 2003 to December 2017. He concurrently served as the head of the Data Telecommunications, Science and Technology Institute from January 2005 to June 2009, a vice general manager and a member of the standing committee of the Communist Party Committee of China Academy of Telecommunications Technology Co., Ltd. from December 2017 to June 2018, and a member of the standing committee of the Communist Party Committee and a vice general manager of China Information and Communication Technology Group Co., Ltd. from June 2018 to November 2021. He has been serving as an external director of GRINM Group Corporation Limited since June 2022. Since September 2022, he has served as an Independent Non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of our seventh session of the Board of Directors.

BIOGRAPHIES OF DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

As of the latest practicable date April 15, 2026 before the issue date of this report

Ms. Liang Shuang, aged 54, employee representative Director with a postgraduate degree in economic management, a professorate senior economist. She started her career in August 1992 and has over 30 years of work and management experience in China's civil aviation industry. Ms. Liang joined Accounting Centre of China Aviation* (中國航空結算中心, currently Accounting Centre of China Aviation Limited Company* (中國航空結算有限責任公司)) in December 1998. From November 2004 to February 2010, Ms. Liang served as the deputy general manager of the Human Resources Department of the Accounting Centre of China Aviation* (中國航空結算中心) and presided over the work. From February 2010 to August 2013, Ms. Liang served as deputy head of the office of the Company. From August 2013 to January 2014, Ms. Liang served as temporary deputy secretary of the party committee, temporary secretary of the disciplinary inspection committee and chairman of the labor union of the operation centre of the Company. From January 2014 to October 2016, Ms. Liang served as temporary deputy secretary of the party committee, temporary secretary of the disciplinary inspection committee, chairman of the labor union and deputy general manager of the operation centre of the Company. From October 2016 to January 2021, Ms. Liang served as secretary of the disciplinary inspection committee, chairman of the labor union and deputy general manager of the operation centre of the Company. Since October 2017, Ms. Liang has been a member of the disciplinary inspection committee of China TravelSky Holding Company* (中國民航信息集團公司) and the Company. Since August 2020, she served as the director of labor union office of China TravelSky Holding Company and the Company. Since January 2022, she served as the vice-president of the full-time labor union of China TravelSky Holding Company and the Company. From January 2020 to January 17, 2024, Ms. Liang served as the employee representative supervisor of the Company. Since January 23, 2025, Ms. Liang served as the employee representative director of the seventh session of the Board of the Company. China TravelSky Holding Company Limited has interests in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, and Ms. Liang Shuang is the vice-president of the full-time labor union of China TravelSky Holding Company Limited.

SENIOR MANAGEMENT

Mr. Liu Xianqing, aged 58, chief accountant and a member of the Standing Committee of the Communist Party Committee of the Company, graduated from Renmin University of China, majoring in trade economics, and held an executive master degree of business administration from Zhongnan University of Economics and Law, a professorate senior accountant. Mr. Liu was engaged in financial management in Beijing General Research Institute of Mining & Metallurgy (北京礦冶研究總院) from 1989 to December 2017, during which he served as the Director of the Department of Finance, a member of the Party Committee and chief accountant. He served as the chief accountant and a member of the Party Committee of BGRIMM Technology Group Co., Ltd. (北京礦冶科技集團有限公司) from December 2017 to June 2018. He also served as the chief accountant and a member of the Party Committee of China GRINM Group Corporation Limited (中國有研科技集團有限公司) from June 2018 to August 2024. Since August 2024, he has been a member of the Standing Committee of the Party Committee of China TravelSky Holding Company Limited (中國民航信息集團有限公司) and the Company. Since September 2024, he has been the chief accountant of the Company.

BIOGRAPHIES OF DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

As of the latest practicable date April 15, 2026 before the issue date of this report

Mr. Li Jinsong, aged 56, vice general manager and a member of the Standing Committee of the Communist Party Committee of the Company, graduated from the Department of Automation at Tsinghua University in 1990 and holds a bachelor degree of engineering, master degree of business administration and a doctor of philosophy degree in law from Tsinghua University. He is currently a senior engineer, certified public accountant, lawyer and an arbitrator of the Beijing Arbitration Commission. Mr. Li served as a business manager of the Investment Management Department of China Huaqing Industrial Corporation* (中國華輕實業公司) from August 1990 to September 1995, the general manager of Liaoning Huaqing Inc.* (遼寧華輕實業有限責任公司) from September 1995 to September 2000, and the assistant to general manager of China Huaqing Industrial Corporation from September 2000 to March 2002. He served as a certified public accountant of Xinhua Accounting Firm* (新華會計師事務所) from March 2002 to February 2004, and served as associate professor and a member of the Academic Committee of Beijing National Accounting Institute from February 2004 to March 2007 (during this period, he was also a research scholar at the London School of Economics and Political Science). In March 2007, he held the position of general counsel of China TravelSky Holding Company. From August 2007 to December 2008, he also served as the general manager of Department of Corporate Audit Monitoring and Law Affairs* (公司審計監察與法律事務部) of China TravelSky Holding Company. From December 2008 to March 2014, Mr. Li has been the general counsel of the Company. Mr. Li served as the chief accountant of China Academy of Machinery Science and Technology* (機械科學研究總院) from March 2014 to September 2016. From November 2016 to September 2024, he served as the Chief Accountant of the Company. Since September 2016, Mr. Li has been serving as a member of the standing committee of Communist Party Committee of China TravelSky Holding Company Limited and the Company. Since November 2016, Mr. Li has been serving as the vice general manager of the Company.

Mr. Liang Haifeng, aged 54, vice general manager and a member of the Standing Committee of the Communist Party Committee of the Company, graduated from Beijing University of Technology with a double bachelor degree in engineering and management, a professorate senior engineer. From July 1995 to April 2001, Mr. Liang Haifeng worked in the China Civil Aviation Computer Center (now known as China TravelSky Holding Company Limited, one of the promoters of the Company). He successively worked in the Operation department, reservation department and marketing department of the Company. From November 2004 to February 2010, Mr. Liang served as the deputy general manager of the company's global distribution business department. From February 2010 to March 2017, Mr. Liang served as the general manager of the Company's aviation business department. From September 2016 to September 2017, Mr. Liang served as the Company's deputy general manager of the R&D center (in charge of work), and concurrently served as the party secretary of the R&D center of the Company from November 2016 to March 2019. Mr. Liang served as the general manager of the Company's R&D center from September 2017 to July 2020, and he has been serving as a member of the standing committee of Communist Party Committee of China TravelSky Holding Company Limited and the Company since June 2020. Since August 2020, Mr. Liang has been serving as the vice general manager of the Company.

BIOGRAPHIES OF DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARY

As of the latest practicable date April 15, 2026 before the issue date of this report

Mr. Du Xiaoming, 45 years old, vice general manager and a member of the Standing Committee of the Communist Party Committee of the Company, graduated from Tianjin University majoring in computer architecture and consecutively obtained a master's degree in engineering and a postgraduate degree from Tianjin University. He is a professorate senior engineer. Mr. Du joined the Company in April 2007 and worked in the aeronautical information products integration department. From June 2010 to April 2014, he consecutively served as the deputy general manager, acting general manager and general manager of Dalian TravelSky Airport Network Co., Ltd. under the Company. From April 2014 to August 2018, Mr. Du served as the general manager of Hainan Civil Aviation Cares Co., Ltd. under the Company. From August 2018 to April 2025, Mr. Du served as the deputy general manager, general manager and deputy secretary of the Party General Branch of the airport business department (currently known as airport digital products business department) of the Company. Since April 2025, Mr. Du has been serving as a member of the standing committee of Communist Party Committee of China TravelSky Holding Company Limited and the Company. Since June 2025, Mr. Du has been serving as the vice general manager of the Company.

Mr. Yu Bo, 44 years old, vice general manager and a member of the Standing Committee of the Communist Party Committee of the Company, graduated from the School of Applied Mathematics of the University of Electronic Science and Technology of China majoring in Information and Computational Science and holds a postgraduate degree from University College London with a Master's degree in Business Administration. From July 2004 to February 2010, Mr. Yu successively worked in the reservation department, research and development department and aviation business department of the Company. From February 2010 to August 2016, Mr. Yu was the deputy general manager of the Civil Aviation Cares of Qingdao Ltd. of the Company. From August 2016 to April 2024, Mr. Yu consecutively served as the secretary of the Party Branch and general manager of the Civil Aviation Cares Technology of Xinjiang Ltd. under the Company, and the general manager and the deputy secretary of the Party General Branch of the information services department of the Company. From April 2024 to April 2025, Mr. Yu served as the general manager of the information services department of the Company as well as the chairman of the board of directors of China TravelSky Cloud Data Company Limited and secretary of the Party Branch of China TravelSky Cloud Data Company Limited (Jiaxing Engineering Construction Project Department) (嘉興工程建設項目部). Since April 2025, Mr. Yu has been serving as a member of the standing committee of Communist Party Committee of China TravelSky Holding Company Limited and the Company. Since June 2025, Mr. Yu has been serving as the vice general manager of the Company.

COMPANY SECRETARY

Mr. Yu Xiaochun, aged 58, the company secretary of the Company (secretary to the Board) and assistant to the general manager, received a bachelor's degree from Beihang University majoring in management engineering and obtained a master's degree in management from Beihang University in 2002. Since joining China Civil Aviation Computer Information Center, the predecessor of China TravelSky Holding Company (one of the promoters of the Company), in July 1989, Mr. Yu has nearly 30 years of experience in China's civil aviation industry. Mr. Yu was the deputy director of the marketing department of China Civil Aviation Computer Information Center from July 1999 to October 2000. From October 2000 (when the Company was established) to December 2002, he held various positions in the Company such as the deputy director of the Marketing Department, the general manager of the DCS Department* (離港部) and the deputy general manager of the Marketing Department. From December 2002 to July 2009, Mr. Yu was the general manager of the planning and development department of China TravelSky Holding Company, a promoter of the Company. From July 2009 to March 2013, he was the head of the Planning and Development Department of the Company. Since March 2010, Mr. Yu has served as a joint company secretary and secretary to the Board of the Company. Since June 2013, Mr. Yu has served as the company secretary and secretary to the Board of the Company. From January 2020 to June 2020, Mr. Yu concurrently served as the lead person in charge of the information service department (preparation) and temporary person in charge of the party organization of the company. Since May 2020, Mr. Yu has been serving as the assistant to the general manager of the company.

CORPORATE INFORMATION

As of the latest practicable date April 15, 2026 before the issue date of this report

BOARD

The seventh session of the Board of the Company established by election by shareholders on February 27, 2020 comprises:

Jiang Bo	<i>Chairman, Executive Director</i> (appointed on December 18, 2025)
Sun Yuquan	<i>Non-executive Director</i> (appointed on January 25, 2024)
Qu Guangji	<i>Non-executive Director</i> (appointed on January 25, 2024)
He Xiaoqun	<i>Non-executive Director</i> (appointed on June 12, 2025)
Liu Zehong	<i>Independent Non-executive Director</i> (appointed on September 1, 2022)
Chan Wing Tak Kevin	<i>Independent Non-executive Director</i> (appointed on September 1, 2022)
Xu Hongzhi	<i>Independent Non-executive Director</i> (appointed on September 1, 2022)
Liang Shuang	<i>Employee Representative Director</i> (appointed on January 23, 2025)

AUDIT COMMITTEE

Chan Wing Tak Kevin	<i>Chief Member (Chairman)</i> (appointed on September 1, 2022)
Liu Zehong	<i>Member</i> (appointed on September 1, 2022)
Xu Hongzhi	<i>Member</i> (appointed on September 1, 2022)

REMUNERATION AND EVALUATION COMMITTEE

Liu Zehong	<i>Chief Member (Chairman)</i> (appointed on September 1, 2022)
Chan Wing Tak Kevin	<i>Member</i> (appointed on September 1, 2022)
Xu Hongzhi	<i>Member</i> (appointed on September 1, 2022)

NOMINATION COMMITTEE

Jiang Bo	<i>Chief Member (Chairman)</i> (appointed on December 18, 2025)
Liu Zehong	<i>Member</i> (appointed on September 1, 2022)
Xu Hongzhi	<i>Member</i> (appointed on September 1, 2022)

STRATEGY AND INVESTMENT COMMITTEE (LEGAL COMPLIANCE COMMITTEE)

Jiang Bo	<i>Chief Member (Chairman)</i> (appointed on December 18, 2025)
Sun Yuquan	<i>Member</i> (appointed on January 25, 2024)
Qu Guangji	<i>Member</i> (appointed on January 25, 2024)
He Xiaoqun	<i>Member</i> (appointed on June 12, 2025)
Liu Zehong	<i>Member</i> (appointed on January 18, 2023)

CORPORATE INFORMATION

As of the latest practicable date April 15, 2026 before the issue date of this report

DIRECTOR RESIGNED INCLUDING HIS RESPECTIVE DUTY IN THE SPECIAL COMMITTEE

Huang Rongshun	<i>Executive Director, member of the Strategy Committee</i> (appointed on August 5, 2021, resigned on April 13, 2026)
Xi Sheng	<i>Non-executive Director, Member of the Strategy Committee</i> (appointed on September 25, 2019, resigned on June 12, 2025)

SENIOR MANAGEMENT

Liu Xianqing	<i>Chief Accountant</i> (appointed on September 29, 2024)
Li Jinsong	<i>Vice General Manager</i> (appointed on November 14, 2016)
Liang Haifeng	<i>Vice General Manager</i> (appointed on August 27, 2020)
Du Xiaoming	<i>Vice General Manager</i> (appointed on June 4, 2025)
Yu Bo	<i>Vice General Manager</i> (appointed on June 4, 2025)
Yu Xiaochun	<i>Company Secretary</i> (Secretary to the Board, appointed on March 16, 2010)

RESIGNED SENIOR MANAGEMENT

Huang Rongshun	<i>General Manager</i> (appointed on September 29, 2024, resigned on March 20, 2026)
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REGISTERED ADDRESS

7 Yu Min Da Street, Houshayu Town, Shunyi District
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Hong Kong

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited
Stock Code: 00696

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-16, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

CORPORATE INFORMATION

As of the latest practicable date April 15, 2026 before the issue date of this report

DEPOSITARY OF SPONSORED LEVEL I AMERICAN DEPOSITARY RECEIPT PROGRAMME

The Bank of New York Mellon

Shareholder correspondence:

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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.

LEGAL ADVISERS**as to Hong Kong law:**

Baker & McKenzie
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as to the PRC law:

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No.1 Jianguomenwai Ave, Beijing

CORPORATE INFORMATION

As of the latest practicable date April 15, 2026 before the issue date of this report

CONTACT DETAILS FOR INVESTORS

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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.



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