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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)

**ANNOUNCEMENT OF ANNUAL RESULTS FOR
THE FINANCIAL YEAR ENDED DECEMBER 31, 2024
AND
PROPOSED ADJUSTMENT TO DIVIDEND POLICY AND
PAYMENT OF ANNUAL DIVIDEND**

BUSINESS SUMMARY:

- The total revenue amounted to approximately RMB8,823.0 million, representing an increase of approximately 26.3% over that for Year 2023.
- The net profit attributable to shareholders of the parent company of the Group amounted to approximately RMB2,074.3 million, representing an increase of approximately 48.3% over that for Year 2023.
- Earnings per share were RMB0.71.
- The Board recommended the distribution of a final cash dividend of RMB0.239 per share (tax inclusive) for Year 2024.
- The Board of the Company proposed the change in the dividend policy as follows: Generally, the Company distributes annual final dividends in cash, with the total amount accounting for 35% to 45% (previously 30%–40%) of the net profit for the year as stated in the income statement of the parent company.

The board of directors (the “**Board**”) of TravelSky Technology Limited (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (the “**Group**”) which have been prepared in accordance with the China Accounting Standards for Business Enterprise (“**CASBE**”) for the year ended December 31, 2024 (“**Year 2024**”).

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2024 (Amounts are expressed in RMB'000 unless otherwise stated)

Item	Note	Year 2024	Year 2023
I. Total operating income		8,823,023	6,983,847
Including: Operating income	5.f)	8,823,023	6,983,847
II. Total operating costs		6,453,464	5,300,831
Including: Operating costs	5.f)	4,309,889	3,316,519
Taxes and surcharges		94,602	81,865
Selling expenses		97,168	129,150
General and administrative expenses		1,336,560	1,061,992
Research and development expenses		824,637	863,039
Financial expenses		-209,393	-151,734
Including: Interest expenses		11,483	15,195
Interest income		199,102	158,734
Plus: Other income		12,161	72,705
Investment income (“-” for loss)	5.g)	80,661	81,558
Including: Gains from investment in associates and joint ventures		43,718	25,347
Gains from derecognition of financial assets measured at amortized cost		—	—
Foreign exchange gains (“-” for loss)		—	—
Income from net exposure hedging (“-” for loss)		—	—
Gains from the changes in fair value (“-” for loss)		77,609	68,312
Credit impairment losses (“-” for loss)	5.h)	-113,963	-304,465
Asset impairment losses (“-” for loss)	5.i)	-25,352	788
Gains on disposal of assets (“-” for loss)		1,832	2,659
III. Operating profits (“-” for loss)		2,402,507	1,604,572
Plus: Non-operating income		14,394	21,901
Less: Non-operating expenses		22,374	14,337
IV. Total profits (“-” for total loss)		2,394,526	1,612,136
Less: Income tax expenses	5.j)	265,963	164,260

Item	<i>Note</i>	Year 2024	Year 2023
V. Net profit (“–” for net loss)		2,128,564	1,447,876
(I) Classified by operating continuity			
1. Net profit from continuing operations (“–” for net loss)		2,128,564	1,447,876
2. Net profit from discontinued operation (“–” for net loss)		—	—
(II) Classified by ownership			
1. Net profit attributable to shareholders of the parent company (“–” for net loss)		2,074,273	1,398,952
2. Net profit attributable to non-controlling interests (“–” for net loss)		54,291	48,924
VI. Other comprehensive income, net of tax		152,187	–2,109
Other comprehensive income, net of tax attributable to shareholders of the Company		152,187	–2,109
(I) Other comprehensive income that cannot be reclassified into profit or loss		147,707	–1,144
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		–56	3,407
3. Changes in fair value of other equity instruments investment		147,763	–4,551
4. Changes in the fair value of the Company’s own credit risk		—	—

Item	Note	Year 2024	Year 2023
(II) Items that may be reclassified to profit or loss		4,481	-965
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		4,481	-965
7. Others		—	—
Other comprehensive income, net of tax, attributable to non-controlling interests		—	—
VII. Total comprehensive income		2,280,751	1,445,767
Total comprehensive income attributable to shareholders of the Company		2,226,460	1,396,843
Total comprehensive income attributable to non-controlling interests		54,291	48,924
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)	<i>5.k</i>)	0.71	0.48
(II) Diluted earnings per share (RMB/share)	<i>5.k</i>)	0.71	0.48

CONSOLIDATED BALANCE SHEET

As at December 31, 2024 (Amounts are expressed in RMB'000 unless otherwise stated)

Assets	Note	As at December 31, 2024	As at December 31, 2023
Current assets:			
Cash and cash equivalents		10,548,986	7,367,554
Balances with clearing companies		—	—
Loans to banks and other financial institutions		—	—
Financial assets held for trading		2,218,193	3,504,857
Derivative financial assets		—	—
Notes receivable		269,119	219,778
Accounts receivable	5.a)	4,959,275	4,519,512
Receivables financing		—	—
Advances to suppliers		72,999	131,725
Premiums receivable		—	—
Reinsurance accounts receivable		—	—
Reinsurance contract reserves receivable		—	—
Other receivables		2,100,224	1,967,334
Financial assets purchased under resale agreements		—	—
Inventories		81,687	85,941
Including: Data resources		—	—
Contract assets		44,001	32,870
Assets held for sale		—	—
Non-current assets maturing within one year		—	107,231
Other current assets		203,727	189,402
Total current assets		20,498,211	18,126,205

Assets	<i>Note</i>	As at December 31, 2024	As at December 31, 2023
Non-current assets:			
Disbursements of loans and advances		—	—
Debt investments		—	—
Other debt investments		—	—
Long-term receivables		—	—
Long-term equity investments		899,875	741,789
Investments in other equity instruments	<i>5.b)</i>	1,004,312	830,474
Other non-current financial assets	<i>5.c)</i>	1,017,412	786,903
Investment properties		84,971	93,866
Fixed assets		2,784,165	3,192,829
Construction in progress		37,609	20,898
Productive biological assets		—	—
Oil and gas assets		—	—
Right-of-use assets		43,890	145,919
Intangible assets		2,004,841	2,447,137
Including: Data resources		26,651	—
Development expenditures		49,792	25,559
Including: Data resources		—	—
Goodwill		260	260
Long-term deferred expenses		25,919	4,323
Deferred tax assets		592,031	569,295
Other non-current assets		651,358	514,672
Total non-current assets		9,196,434	9,373,924
Total assets		29,694,646	27,500,129

Liabilities and owners' equity	<i>Note</i>	As at December 31, 2024	As at December 31, 2023
Current liabilities:			
Short-term borrowings		1,203,301	751,590
Borrowings from central bank		—	—
Loans from banks and other financial institutions		—	—
Financial liabilities held for trading		—	—
Derivative financial liabilities		—	—
Notes payable		—	—
Accounts payable	<i>5.d)</i>	2,187,400	2,245,559
Advances from customers		—	—
Contract liabilities	<i>5.e)</i>	645,608	890,291
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		290,568	240,298
Taxes and surcharges payable		181,367	264,619
Other payables		1,951,988	1,647,405
Handling charges and commission payable		—	—
Reinsurance accounts payable		—	—
Liabilities held for sale		—	—
Non-current liabilities maturing within one year		241,578	109,424
Other current liabilities		22,905	44,308
Total current liabilities		6,724,716	6,193,494
Non-current liabilities:			
Reserves for insurance contracts		—	—
Long-term borrowings		—	200,214
Bonds payable		—	—
Including: Preferred stock		—	—
Perpetual bonds		—	—
Lease liabilities		8,254	50,581
Long-term payables		400	420
Long-term employee compensation payable		—	—
Estimated liabilities		20	20
Deferred income		173	1,221
Deferred tax liabilities		64,098	35,585
Other non-current liabilities		—	—
Total non-current liabilities		72,944	288,042
Total liabilities		6,797,660	6,481,535

Liabilities and owners' equity	<i>Note</i>	As at December 31, 2024	As at December 31, 2023
Shareholders' equity:			
Share capital		2,926,210	2,926,210
Other equity instruments		—	—
Capital reserves		1,267,468	1,192,037
Less: Treasury stock		—	—
Other comprehensive income		98,948	-53,240
Special reserves		—	—
Surplus reserves		4,509,067	4,221,795
General risk reserves		13,261	13,261
Retained earnings		13,489,876	12,171,069
Total equity attributable to shareholders of the parent company		22,304,829	20,471,132
Non-controlling interests		592,156	547,462
Total shareholders' equity		22,896,986	21,018,594
Total liabilities and shareholders' equity		29,694,646	27,500,129

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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. As at December 31, 2024, the total cumulative share capital issued by the Company was 2,926,209,589 shares, and the registered capital was RMB2,926,209,589.00. Registered office: No. 7 Yumin Street, Houshayu Town, Shunyi District, Beijing.

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

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

The Company and its subsidiaries are hereinafter collectively referred to as the “**Group**”.

2. BASIS OF PREPARATION FOR FINANCIAL STATEMENTS

a) Basis of preparation

The annual results set out in this announcement do not constitute the consolidated financial statements of the Company for the period ended December 31, 2024 but are extracted from those in the consolidated financial statements. The Company prepares financial statements in accordance with the “Accounting Standards for Business Enterprises — Basic Standards” and all the specific accounting standards, Application Guidance to the Accounting Standards for Business Enterprises, the interpretation of the Accounting Standards for Business Enterprises and other relevant provisions (hereinafter referred to as the “**Accounting Standards for Business Enterprises**”). In addition, the financial statements comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the applicable disclosure requirements of the Hong Kong Companies.

b) Going concern

The financial statements are prepared on a going concern basis.

3. CHANGES IN ACCOUNTING POLICIES

- (1) Implementation of Accounting Standards for Business Enterprises Interpretation No. 17;
- (2) Implementation of the Interim Provisions on Accounting Treatment Related to Enterprise Data Resources;
- (3) Implementation of Accounting Standards for Business Enterprises Interpretation No. 18, “Accounting for Guarantees that Are Not Individual Performance Obligations”;

The implementation of the above interpretations (regulations) does not have a significant impact on the Company’s financial position and results of operations.

4. TAXATION

a) Major tax types and tax rates

Tax type	Tax base	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	3.00–23.00 (including VAT rate of the overseas company)
Urban maintenance and construction tax	Levied based on actual VAT and consumption tax paid	5.00, 7.00
Corporate income tax	Levied based on taxable income	8.25–25.00 (including the income tax rate of the overseas company to which it belongs)

b) Tax incentives

i. High and new technology enterprise

Under the Corporate Income Tax Law of the People's Republic of China (“CIT Law”) and other relevant regulatory requirements, in general, the applicable income tax rate of enterprises in the PRC is 25%, enterprises recognized as “High and New Technology Enterprises” are entitled to a preferential corporate income tax rate of 15%. The Company was approved and certified by relevant authorities as a “High and New technology Enterprise” since its establishment and was re-applied for certification on a regular basis to renew the identification of “High and New Technology Enterprise” in accordance with relevant regulatory requirements. The most recent re-identification was completed in November 2023, and the Company has been renewed as a “high-tech enterprise” and confirmed that it will be a “high-tech enterprise” from 2023 to 2025 at a preferential tax rate of 15%.

ii. 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 assessed by relevant regulatory 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.

The Company received the difference between the tax paid at the tax rate of 15% and that paid at tax rate of 10% in 2023, and the amount has been reflected in the financial statements for the year of 2024.

5. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts are expressed in RMB'000 unless otherwise stated)

a) Accounts receivable

i. Disclosure of accounts receivable by aging (based on invoice dates)

Aging	As at December 31, 2024	As at December 31, 2023
Within 1 year	4,364,621	3,758,113
Including:		
Within 6 months	3,226,636	2,650,365
7 to 12 months	1,137,984	1,107,749
1 to 2 years	886,221	976,939
2 to 3 years	402,296	330,306
3 to 4 years	73,320	147,990
4 to 5 years	118,266	126,511
Over 5 years	216,073	170,486
Subtotal	6,060,796	5,510,344
Less: Provision for bad debts	1,101,521	990,832
Total	4,959,275	4,519,512

ii. Disclosure of accounts receivable under the method of provision for bad debts by category

Category	As at December 31, 2024					As at December 31, 2023				
	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	991,091	16.35	678,931	68.50	312,160	811,722	14.73	558,365	68.79	253,357
Provision for bad debts accrued on a portfolio basis	5,069,705	83.65	422,591	8.34	4,647,115	4,698,622	85.27	432,468	9.20	4,266,154
Total	6,060,796	100.00	1,101,521		4,959,275	5,510,344	100.00	990,832		4,519,512

Provision for bad debts accrued on an individual basis:

Name	As at December 31, 2024		
	Book balance	Provision for bad debts	Proportion of provision (%)
Total	<u>991,091</u>	<u>678,931</u>	<u>68.50</u>

Provision for bad debts accrued on a portfolio basis:

Name	As at December 31, 2024		
	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Accounts receivable from third parties	2,363,669	422,591	17.88
Accounts receivable from related parties	<u>2,706,036</u>	<u>—</u>	<u>—</u>
Total	<u>5,069,705</u>	<u>422,591</u>	<u>—</u>

b) Investments in other equity instruments

i. Details of other equity instrument investments

Item	As at December 31, 2024	As at December 31, 2023
China Merchants RenHe Life Insurance Company Limited	<u>1,004,312</u>	<u>830,474</u>
Total	<u>1,004,312</u>	<u>830,474</u>

The Company holds 13.26% of all the equity of an unlisted company China Merchants RenHe Life Insurance Company Limited, which has a fair value of RMB1,004,312 thousand as of December 31, 2024. (Year 2023: RMB830,474 thousand) As the Company does not intend to hold the investment for trading purposes, the Company designated the investment as financial assets measured at fair value through other comprehensive income. The Company has referred to the valuation report issued by Beijing China Alliance Appraisal CO., LTD, an independent professional valuer with professional qualifications and relevant experience, and assessed the fair value as at December 31, 2024. The fair value movement is RMB173,839 thousand for the year of 2024 (The fair value movement is RMB–5,354 thousand as of December 31, 2023) through other comprehensive income.

c) Other non-current financial assets

Item	As at December 31, 2024	As at December 31, 2023
Financial assets measured at fair value through the current profit or loss	1,017,412	786,903
Including: Equity instrument investments	1,017,412	786,903
Total	<u>1,017,412</u>	<u>786,903</u>

The above-mentioned other non-current financial assets of the Company are held by the Company is 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 Xiongan) 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 industry applications and information and communications industry chain, ecosystem and enabling industries.

As at December 31, 2024 the Company has made actual contributions (including fund management fees) of RMB852,175 thousand under the agreement, which is measured at fair value with a book value of RMB1,017,412 thousand.

d) **Accounts payable**

i. *Presentation of accounts payable (based on invoice dates)*

Aging	As at December 31, 2024	As at December 31, 2023
Within 1 year (including 1 year)	1,549,348	1,352,453
1 to 2 years (including 2 years)	340,986	490,747
2 to 3 years (including 3 years)	186,807	240,436
Over 3 years	110,259	161,923
Total	<u>2,187,400</u>	<u>2,245,559</u>

e) **Contract liabilities**

i. *Details of contract liabilities*

Item	As at December 31, 2024	As at December 31, 2023
System integration service contracts	<u>645,608</u>	<u>890,291</u>
Total	<u>645,608</u>	<u>890,291</u>

f) **Operating income and operating costs**

i. *Details of operating income and operating costs*

Item	Year 2024		Year 2023	
	Revenue	Cost	Revenue	Cost
Main business	8,789,242	4,299,274	6,936,393	3,302,164
Other businesses	33,781	10,615	47,454	14,355
Total	<u>8,823,023</u>	<u>4,309,889</u>	<u>6,983,847</u>	<u>3,316,519</u>

ii. Details of operating income:

Item	Year 2024	Year 2023
Aviation information technology services	4,318,704	3,850,795
Settlement and clearing services	591,166	447,324
System integration services	1,887,709	994,304
Data network services	464,560	390,021
Income from technical support and products (note)	936,826	617,025
Other income	624,059	684,378
Including: Payment business income	175,054	225,177
Income from leasing, operation, and maintenance services	197,217	215,848
Logistics business income	88,540	74,792
Data service income	85,399	73,457
Total	<u>8,823,023</u>	<u>6,983,847</u>

Note: In previous years, the disclosure name was “Income from technical services”.

g) Investment income

Item	Year 2024	Year 2023
Investment income from long-term equity investments calculated under equity method	43,718	25,347
Investment income from disposal of long-term equity investments	6,745	361
Investment income from trading financial assets during the holding period	30,197	55,850
Total	<u>80,661</u>	<u>81,558</u>

h) Credit impairment losses (“–” for loss)

Item	Year 2024	Year 2023
Bad debts of notes receivable	1,121	–9,387
Bad debts of accounts receivable	–115,084	–294,529
Bad debts of other receivables	—	–549
	<hr/>	<hr/>
Total	<u>–113,963</u>	<u>–304,465</u>

i) Assets impairment losses (“–” for loss)

Item	Year 2024	Year 2023
Impairment of advances to suppliers	–181	–808
Impairment of contract assets	–25,171	1,596
	<hr/>	<hr/>
Total	<u>–25,352</u>	<u>788</u>

j) Income tax expenses

Item	Year 2024	Year 2023
Current income tax expenses	287,103	275,464
Deferred income tax expenses	–21,140	–111,204
	<hr/>	<hr/>
Total	<u>265,963</u>	<u>164,260</u>

k) Earnings per share

Item	As at December 31, 2024	As at December 31, 2023
Earning (in RMB'000) (Earnings for the purpose of calculating the basic and diluted earnings per share)	2,074,273	1,398,952
Numbers of shares (in thousand shares) (Weighted average number of ordinary shares in issue)	<u>2,926,210</u>	<u>2,926,210</u>
Earnings per share (in RMB) (Basic and dilutive)	<u>0.71</u>	<u>0.48</u>

As at December 31, 2024, and December 31, 2023, the Company has no diluted potential common stocks.

l) Dividend distribution

At the annual general meeting of the Company on June 20, 2024, the proposal to distribute the “2023 Final Cash Dividend” was approved at the annual general meeting of the Company, with a dividend of RMB0.16 per share (tax inclusive), totaling RMB468,194 thousand. These dividends have been included in shareholders’ equity for the year ended December 31, 2024 and are included in the distribution of retained earnings.

On March 27, 2025, the Board of Directors recommended the payment of a final cash dividend for the year 2024 totaling RMB699,364 thousand (RMB0.239 per share, tax inclusive). The proposed final dividend is subject to the approval of the next annual general meeting of the Company and will be reflected in the financial statements of the Group for the year ending December 31, 2025.

m) Disposals on fixed assets

For the year ended December 31, 2024, and the total amount of gains from disposal of assets disclosed in the consolidated income statement was RMB1,832 thousand, according to the accounting standards of Lease, gains on disposal of right-of-use assets (i.e., gains on changes of leases) amounted to RMB1,832 thousand. (For the year ended December 31, 2023, gains on disposal of assets were approximately RMB2,659 thousand.) Please refer to the Group consolidated income statement for the details of “Gains from disposal of assets”.

n) Supplementary information to the income statement with expenses classified by nature

The operating costs, selling expenses, general and administrative expenses, and research and development expenses in the income statement are classified by nature and are listed as follows:

Item	Year 2024	Year 2023
Labor costs	2,489,732	2,063,687
Depreciation and amortization expenses	1,242,701	1,008,742
Cost of integrated business sales (<i>note 1</i>)	910,165	348,293
Technical supports and maintenance fees	776,810	711,041
Departure and distribution support fees (<i>note 2</i>)	566,470	641,807
Internet use fees	89,631	80,995
Financial costs	-209,393	-151,734
Other operating costs	492,745	516,135
Total	<u>6,358,861</u>	<u>5,218,966</u>

- Note:*
1. Cost of sales of software and hardware: in previous years, the disclosure name was “Cost of sales of software and hardware” ;
 2. Departure and distribution support fees : in previous years, the disclosure name was “Commission and Promotion expenses”, and classify the cost of payment operations therein as other operating costs.

2024 BUSINESS REVIEW

In 2024, the global economy experienced a slow recovery. The economy in China was generally stable while making steady progress. The positive trend continued to take hold. The civil aviation transport market in China has shifted from recovery to growth in volume and quality. The domestic passenger transport scale exceeded the same period of 2019 and recorded a new high in history. International passenger flights recovered to more than 80% of the same period in 2019, laying a strong foundation for the business development of the Group. The Group seized the opportunities in the industry, and through strengthening our core functions and enhancing our core competitiveness, certain progress has been made in the main business sectors including aviation information technology services, accounting, settlement and clearing services, distribution information technology services, airport information technology services, and other information technology services.

Aviation Information Technology Services

The Group's aviation information technology ("AIT") services, which consist of a series of products and solutions, are provided to 41 Chinese commercial airlines and over 400 foreign and regional commercial airlines. The AIT services comprise 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 other extended information technology services related to the above core businesses, including but not limited to product services to support aviation alliance, solutions for developing e-ticket and e-commerce, data services to support decisions of commercial airlines as well as information management system services to improve ground operational efficiency.

In 2024, the ETD system of the Group processed data of approximately 732.4 million passengers for domestic and international commercial airlines, marking a year-on-year growth of about 18.1% compared to the same period in 2023, in which the system processed about 18.1% year-on-year more data of passengers for Chinese commercial airlines and about 17.7% year-on-year more data of passengers for foreign and regional commercial airlines. The Group made concerted efforts to ensure the orderly resumption of international routes, assisting 27 Chinese commercial airlines in resuming operations at 83 overseas airports. The number of foreign and regional commercial airlines increased to 211 using the Group's APP system services, multi-host access services, and the self-developed Angel Cue platform access services, handling approximately 9.6 million departing passengers at 48 airports. The Group's self-developed Common Use Self-Service (CUSS) system, compliant with the International Air Transport Association ("IATA") standards, was used at 241 major domestic and international airports, with online check-in services available at 358 domestic and international airports. Along with mobile and SMS check-in products, these systems collectively processed data of approximately 466 million departing passengers.

In 2024, the Group continued to enhance the aviation information technology and its extended services, with an aim to fulfill the demand of commercial airlines for the information technology solutions on travel convenience, auxiliary services, e-commerce and international services. The Group steadily promoted the upgrades of retail solutions for commercial airlines. The Travel Retail Platform (TRP) for airlines supported the customer-centered business model of commercial airlines and helped airlines manage “Aviation+” products, having signed contracts with a cumulative total of 19 clients. As a corporate data middle platform, Data Plus (ADA) providing airlines with services that integrate data security access, data integration mining, and application scenario support into one. It has been deployed for 29 airlines, including Hainan Airlines, Juneyao Air, and Sichuan Airlines, for their service governance and decision-making support. After the completion of capability upgrade and promotion, agreements were entered into in relation to the Airlines Total Operation Management System (ATOMS) with six airlines including Kunming Airlines, Jiangxi Air, and Qingdao Airlines, while implementation at 20 key stations were completed, ensuring the digital management for airlines and enhancing ground security and safety level.

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 commercial airlines and other aviation corporations through Accounting Centre of China Aviation Company Limited (“ACCA”), a wholly-owned subsidiary of the Group. As the downstream business of the Group’s principal activities in air travel service distribution and sales, the above business 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 Information Processing Software, ACCA is also the leading provider of outsourced services and system products services in revenue management and provider of new air travel finance in the civil aviation industry in China, its major customers including domestic passenger and cargo airlines, overseas and regional commercial airlines, domestic airports, government organizations and IATA.

In 2024, the Group consolidated and expanded the new market of the accounting, settlement and clearing services, focusing on the application of new technologies. The third-generation passenger revenue management platform that complies with the IATA New Distribution Capabilities (“NDC”) and ONE ORDER standards was continuously upgraded and improved, while being put into operation for airlines such as Shandong Airlines, Shenzhen Airlines, Colorful Guizhou Airlines, and China Express Airlines, etc., supporting new business operation such as real-time settlement and order settlement. On the basis of the low-cost airline passenger settlement solution successfully gained its first customer, Singapore-based Scoot, achieving the goal of using one system to cover the revenue settlement business of the full-service airlines and low-cost airlines under the same airline group. The new generation of industry funds clearing and settlement

platform based on the NDC model completed the first phase of independent development and carried out platform operations to improve clearing efficiency and enhance fund security.

In 2024, there were approximately 1,263.9 million transactions processed with the Group's accounting, settlement and clearing system, representing a year-on-year increase of 24.2%. Revenue from agency settlement for passengers, cargo and mail transport, miscellaneous fees, and international and domestic clearing fees exceeded RMB66.38 billion, representing a year-on-year increase of 39.7%.

Distribution of Information Technology Services

In 2024, the Group continued to expand the market of distribution information technology service, with direct links and high-level networking to all Global Distribution Systems (“GDSs”) around the world and 134 foreign and regional commercial airlines, covering over 400 domestic and overseas cities. The distribution network has reached 32 overseas countries and regions.

In 2024, the Group further enhanced its distribution capabilities, solidified distribution channels, continuously upgraded business system, actively expanded into overseas markets, and strengthened the integration capabilities for tourism resources. Moreover, we continued our enhancement in the construction of new retail capabilities in aviation. We created the first centralized management solution globally for domestic airlines through the Carrier Direct Platform (CDP), which was rated by the China Air Transport Association as an internationally leading platform. We also created AggSky for foreign and regional airlines, where the platform has come into operation in a total of 18 companies. We accelerated the digital transformation of the entire process and industry chain of the distribution business, fully completing the implementation of the promotion and operation of electronic itineraries for sales agents. Last but not least, we further enriched the marketable products. On one hand, we continued to expand ancillary products, adding more than 10 new marketable ancillary products during the year, including express security check, lounges, airport transfers, luggage delivery, mileage privileges, and refund rights, etc. In total, we had established auxiliary cooperation with 12 airlines. On the other hand, the expansion of business resources such as airport transfers, VIP lounges and insurance was enhanced. Full coverage of non-aviation resource categories was in effect realized.

Airport Information Technology Services

In 2024, the Group was devoted to the construction of airport informatization and the construction of a smart airport comprehensive solution around different fields such as airport operation, digital twin, convenient travel, passenger services, safety and security, and middle platform construction to contribute in the transformation and upgrade of airports. We continued to consolidate the traditional departure front-end system market and executed several large-scale airport expansion projects, including Lanzhou International Airport Phase III, Zhuhai Airport T3, and Guangzhou International Airport T3. The departure front-end system of the new-generation APP dominated China's large and medium-sized airports and assisted commercial airlines in providing various services for passengers, such as boarding, transiting and connecting, in 182 overseas or regional airports. The number of departure passengers receiving such services reached approximately 42 million, accounting for approximately 96.2% of the number of passengers returning from overseas of such commercial airlines in China.

In 2024, the Group rigorously promoted the smart airport comprehensive solution. The Airport Collaborative Decision-Making (A-CDM) system ranked first in market share among nearly 40 airports with a passenger volume of over 10 million in China, which effectively helped airports achieve “operation standardization, refined management and intelligent decision-making.” In addition, we further broadened the network effect of “link main routes and branch routes and connect the whole network” service model and entered into contracts with more than 250 airports, with a coverage rate of over 95%, for the civil aviation transit passenger service platform. The international transit function was first implemented at Shenzhen Airport and awarded in the 2024 China International Fair for Trade in Services the Exemplar Service Practice in China. The smart travel platform based on facial recognition was promoted in approximately 40 airports, successfully implementing boarding for passengers at transit stations by facial recognition. The smart middle platform successfully won bids for 7 airport projects including Urumqi Airport. Moreover, the common use passenger service platform was actively promoted at airports in Qiqihar, Nanchong and others, and successfully won the bid for the Common Use Passenger Processing System (CUPPS) project of Macau International Airport, representing a new breakthrough in the overseas airport business. We continued to improve passenger travel efficiency and completed the examination and acceptance of the passenger service integration platform project with “Five Flows and One Business Card” at its core at Beijing Capital International Airport. Meanwhile, we also actively expanded new luggage application scenarios and launched the full-process luggage tracking system (RFID) in airport groups in areas such as Guangxi, Xinjiang, and Yunnan. The “Research on Key Technologies for Civil Aviation Data Governance and Application” project won the First Prize in Civil Aviation Science and Technology from the China Air Transport Association.

Other Information Technology Services

In 2024, 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 were devoted to the development in the field of digital infrastructure construction, entered into contracts for data center-related projects with China National Aviation Fuel Group Limited, China National Biotech Group Company Limited, China Welfare Lottery Issuance and Management Center, and actively built a full life cycle service solution for data center infrastructure. Moreover, we expanded cross-industry data center value-added service business, and entered into contracts for operation and maintenance related projects with the Department of Consular Affairs of the Ministry of Foreign Affairs, China Nam Kwong Group Limited, Anhui Gujing Gongjiu Co., Ltd., etc. We searched for the value of data elements, cooperated with Sinopharm Digital Technology (Beijing) Co., Ltd. and Beijing International Data Exchange Co., Ltd., and actively explored new models of data governance and data integration. In addition, we accelerated the plan of low-altitude economy, implemented the requirements of the “link main routes and branch routes and connect the whole network” service model issued by the Civil Aviation Administration of China (“CAAC”), entered into contracts for three common use airport information construction projects, jointly initiated the establishment of “Low-altitude Economy Innovation Consortium” with 7 central state-owned enterprises including AVIC, and won the bid for Xinjiang Shihezi Airport project, representing the first breakthrough in the low-altitude and drone fields.

In 2024, the Group continued to consolidate its leading position in the domestic aviation logistics information service market. We entered into a new service contract with Joy Air and successfully launched the China International Air Cargo Terminal Digital Platform and China Post Air Cargo Production System. In addition, we promoted and upgraded cargo terminal production system, cargo security inspection system and other products, successfully signed 9 new customers, and launched Ezhou Airport cargo system, the first domestic professional cargo hub, the first domestic network barge type Wuhan Optics Valley cargo terminal, and the first full information technology innovation freight system at Urumqi Airport. The volume of electronic air waybills processed gradually recovered throughout the year.

In 2024, the Group responded to the national call to accelerate the development of strategic emerging industries and future industries, with a deep focus on frontier technologies such as blockchain, digital Renminbi, and artificial intelligence, which are vigorously promoted by the country. The “Air Travel Chain” project constructed by the Group was rated as International Leading Achievement and won the second prize of the Science and Technology Award of China Communications and Transportation Association. The chain products “Reconciliation Pass” and “Asset Traceability Management System” expanded to 7 new customers. “Declaration Pass” won the third prize in Civil Aviation Science and Technology from China Air Transport Association. The intelligent payment application of digital Renminbi was first launched in five

airports, leading to a new trend of integration between digital Renminbi and civil aviation e-commerce. The airport luggage transfer smart robot was launched for the first time as Qingdao Airport was signed as the first customer.

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 2024, as the “central nervous system” of China's civil aviation, the Group actively fulfilled its social responsibilities by comprehensively strengthening the stability of core systems, intelligent operation and maintenance, and security capabilities. On one hand, the Group ensured the smooth operation of the mainframe system and major open platform systems. We successfully guaranteed the safe operation of civil aviation passenger information system during the Spring Festival travel rush, the two Conferences (i.e. the National People's Congress and the Chinese People's Political Consultative Conference), the Boao Forum, the China-Russia Expo, and the Forum on China-Africa Cooperation. On the other hand, the Group steadily improved its technical capabilities. Moreover, the Group completed the construction of the “Smart Customer Service Platform” based on large models, which is fully open to airlines, airports, and agent users. We also completed the construction and implementation of 5G virtual lines in 120 domestic airports, improving the reliability of the communication lines of certain small, micro, and micro-sized airports. In addition, we strengthened the security protection capabilities of key infrastructure, the construction of off-site disaster recovery for large-scale mainframe system was steadily advanced, and the Houshayu Park launched dual external power supply for the first time, reaching the power supply guarantee capability of a world-class data centre. We improved the level of information security protection, implemented the “real person, real name, real operation” requirements of the Ministry of Public Security and the Civil Aviation Administration, and enhanced front-end security management standards. Meanwhile, we strived to cooperate and support the “prevention of air ticket telecommunications network fraud cases” and were committed to civil aviation passengers' personal information protection responsibilities.

Technological Innovation

In 2024, the Group remained committed to implementing an innovative development strategy and continuously enhance our own capability on technological innovation. We insisted on innovation-driven development, increased investment in key civil aviation basic software, artificial intelligence and low-altitude economy, and actively carried out key tasks such as airline operation control system, air cargo system, and civil aviation vertical large-scale model construction. Moreover, we actively participated in the low-altitude economy, next-generation Internet, 5G and new generation mobile communications, while continuing to promote the construction of scientific and technological innovation platforms, actively carrying out industry-university-research cooperation around industry common technologies and new technology application research, and enhancing the industrial technology research and development level of national enterprise technology centres. Additionally, we continued to promote green and low-carbon development, obtained the energy management (ISO50001) certification, and created a number of green and low-carbon technologies for demonstration, which were included in the “National Energy-Saving and Carbon-Reduction Technology Equipment Recommendation Catalogue” of the Ministry of Industry and Information Technology and the fifth “National Key Low-Carbon Technologies Catalogue” of the Ministry of Ecology and Environment.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION 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 announcement. 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 2024

As stated in the announcement of the Company dated February 14, 2025, the increase in revenue from the Group’s aviation information technology services, accounting, settlement and clearing services, data network services and other related business segments as compared to that for the corresponding period of the previous year due to the resumption and development of China’s civil aviation industry in 2024, as well as the significant increase in revenue from system integration services as compared to that for the corresponding period of the previous year due to the growth in the scale of the business of the airport construction projects and the progress of their implementation, etc., all of which led to an increase in the Group’s net profit as compared to that for the corresponding period of the previous year.

The revenue and operating results of the Group mainly came from the Group's operations in China. For Year 2024, profit before taxation of the Group was approximately RMB2,394.5 million, representing an increase of approximately 48.5% over that for the year ended December 31, 2023 ("Year 2023"). Net profit attributable to shareholders of the parent company was approximately RMB2,074.3 million, representing an increase of approximately 48.3% over that in Year 2023.

The basic and diluted earnings per share of the Group in Year 2024 were RMB0.71.

TOTAL REVENUE

The total revenue of the Group in Year 2024 amounted to approximately RMB8,823.0 million, representing an increase of approximately RMB1,839.2 million, or 26.3%, from approximately RMB6,983.8 million in Year 2023. The increase in total revenue is reflected as follows:

- Aviation information technology service revenue represented 48.9% of the Group's total revenue in Year 2024, as compared to 55.1% for Year 2023. Aviation information technology service revenue increased by 12.2% from RMB3,850.8 million in Year 2023 to RMB4,318.7 million in Year 2024. The main sources of the revenue were Inventory Control System service, Computer Reservation System service and Airport Passenger Processing service, as well as other extended information technology services related to the above core business provided by the Group to commercial airlines. The increase of the revenue was mainly due to the 18.1% year-on-year increase of total system capacity, whereas domestic airline international segment and foreign and regional airline capacity have not yet recovered to the same level of the same period in 2019.
- Accounting, settlement and clearing services revenue accounted for 6.7% of the Group's total revenue in Year 2024, as compared to 6.4% for Year 2023. Accounting, settlement and clearing services revenue increased by 32.2% from RMB447.3 million in Year 2023 to RMB591.2 million in Year 2024. The main source of the revenue was accounting, settlement and clearing services provided by the Group to third parties including commercial airlines, airports, agencies and government bodies, etc. The increase of the revenue was primarily due to the factors such as gradual recovery of accounting, settlement and clearing business volume, especially international business volume, and expansion of system and product services.
- System integration service revenue accounted for 21.4% of the Group's total revenue in Year 2024, as compared to 14.2% for Year 2023. System integration service revenue increased by 89.9% from RMB994.3 million in Year 2023 to RMB1,887.7 million in Year 2024. The main sources of the revenue were hardware integration, software integration and data and information integration services provided by the Group to airports, commercial airlines and other corporate clients. The increase of the revenue was primarily due to the year-on-year increase in the scale and number of projects that met the completion and acceptance requirements as a result of the orderly progress of construction and acceptance.

- Data network revenue accounted for 5.3% of the Group’s total revenue in Year 2024, as compared to 5.6% for Year 2023. Data network revenue increased by 19.1% from RMB390.0 million in Year 2023 to RMB464.6 million in Year 2024. The main source of the revenue was the distribution information technology service provided by the Group to agencies. The increase of the revenue was mainly due to the year-on-year increase in distribution information technology services business volume.
- Income from technical support and products (disclosed as “income from technical services” in previous years) accounted for 10.6% of the Group’s total revenue in Year 2024, as compared to 8.8% for the Year 2023. Income from technical support and products increased by 51.8% from RMB617.0 million in Year 2023 to RMB936.8 million in Year 2024. This revenue was derived from the products and technical services provided by the Group to airlines, airports, agents and non-industry customers. The increase of the revenue was mainly due to the increase in customers’ IT service demand and product expansion.
- Other revenue accounted for 7.1% of the Group’s total revenue in Year 2024, as compared to 9.8% for Year 2023. Other revenue decreased by 8.8% from RMB684.4 million in Year 2023 to RMB624.1 million in Year 2024. The sources of the revenue were payment business, room tenancy, data services, logistics business and other services provided by the Group. The decrease of the revenue was mainly due to the decrease in the payment business revenue and costs along with adjustments in business strategies.

TOTAL OPERATING EXPENSES

The total operating expenses of the Group in Year 2024 amounted to RMB6,453.5 million, representing an increase of RMB1,152.6 million or 21.7%, as compared to RMB5,300.8 million for Year 2023. The changes in total operating expenses are reflected as follows:

- Staff costs increased by 20.6% mainly due to the year-on-year decrease in the capitalization of the Group’s research and development expenses, and the year-on-year increase in employee salaries and “5 Insurances and 2 Pensions”;
- Depreciation and amortization increased by 23.2% mainly due to the year-on-year increase in amortization of intangible assets carried forward by the Group’s independent research and development;
- Cost of integrated business sales (disclosed as “Cost of sales of software and hardware” in previous years) increased by 161.3% mainly due to the year-on-year increase in business volume of integration projects and the orderly progress of construction and acceptance;
- Technical support and maintenance fees increased by 9.2% mainly due to the year-on-year increase in the operational requirements; and

- Departure and distribution support fees (disclosed as “commission and promotion expenses” in previous years) decreased by 11.7% mainly due to the impact of departure service guarantee fees, foreign airline booking rewards for agents, and their corresponding progress of reconciliation confirmation.

As a result of the above-mentioned changes in revenue and total operating costs, the operating profit of the Group increased by approximately RMB797.9 million, or approximately 49.7%, from approximately RMB1,604.6 million in Year 2023 to approximately RMB2,402.5 million in Year 2024.

CREDIT IMPAIRMENT LOSSES

The Group’s credit impairment loss was RMB114.0 million in 2024, mainly due to provision for bad debts which was made for overdue receivables from third-party customers.

CORPORATE INCOME TAX

Under the Corporate Income Tax Law of the People’s Republic of China (the “**CIT Law**”) and other relevant regulatory requirements, in general, the applicable income tax rate of enterprises in the PRC is 25%, enterprises recognized as the “High and New Technology Enterprise” are entitled to a preferential corporate income tax rate of 15%. The Company was approved and certified by relevant authorities as a “High and New Technology Enterprise” since its establishment, and from then on the Company re-applied regularly for certification of qualification to renew the status of “High and New Technology Enterprise” in accordance with relevant regulatory requirements. The Company’s latest re-application for certification was completed in November 2023, and the Company maintained its status as the “High and New Technology Enterprise”, and was 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 2024 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 2023.

For details of corporate income tax of the Group for Year 2024, please see Note 4 to the 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 48.3% from approximately RMB1,399.0 million in Year 2023 to approximately RMB2,074.3 million in Year 2024.

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 2024, the discretionary surplus reserve fund for Year 2023 approved to be appropriated at the annual general meeting held on June 20, 2024 and the statutory surplus reserve fund for Year 2024 that should be appropriated have been accounted for in the financial statements of the Group for Year 2024.

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 RMB170.3 million to the discretionary surplus reserve fund for Year 2024 is subject to shareholders' approval at the forthcoming annual general meeting (the “**AGM**”). Therefore, the amount will be recorded in the Group's financial statements for the year ending December 31, 2025.

Proposed Adjustment to Dividend Policy and Payment of Annual Dividend

On March 27, 2025, the Board of the Company proposed the change in the dividend policy as follows: the Board will propose annual dividend distribution (including cash dividend distribution plan) at the general meeting after considering the Company's operating status, capital requirements for future development, and taking into account factors including the Company's sustainable development. Generally, the Company distributes annual final dividends in cash, with the total amount accounting for 35% to 45% (previously 30% to 40%) of the net profit of each year as stated in the income statement of the parent company. At the same time, the Board proposed the distribution of a final cash dividend of RMB699.4 million, representing RMB0.239 per share (tax inclusive) for Year 2024 (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 announcement.

The Company will submit the above Final Dividend distribution proposal to the forthcoming AGM. If such proposal is approved at the AGM, the Final Dividend for Year 2024 is expected to be paid on or before September 30, 2025. The date of the AGM has not been fixed, and detailed arrangements in relation to the AGM (including the date and book closure period) will be disclosed by the Company in due course. Further, upon conclusion of the AGM, 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	
	2024	2023
	<i>RMB'million</i>	<i>RMB'million</i>
Net cash flow generated from operating activities	2,525.9	137.4
Net cash flow used in investing activities	893.7	-796.2
Net cash flow used in financing activities	-196.8	449.4
Net increase in cash and cash equivalents	3,231.2	-199.3
Effect of foreign exchange rate changes on cash and cash equivalents	8.4	10.0

The Group's working capital for Year 2024 mainly came from operating activities. Net cash inflow from operating activities amounted to RMB2,525.9 million.

As at December 31, 2024, the Group had a total of RMB1,403.5 million of borrowings, including short-term bank borrowings of RMB1,203.3 million and entrusted loans of RMB200.2 million, of which the fixed rate borrowings totaled RMB1,403.5 million. The Group did not use any financial instruments for hedging purpose.

As at December 31, 2024, cash and cash equivalents of the Group amounted to RMB10,507.7 million, of which 97.74%, 1.88% and 0.26% were denominated in RMB, USD and EUR, respectively.

RESTRICTED BANK DEPOSITS

As at December 31, 2024, restricted bank deposits of the Group in the amount of RMB1,490.4 million, of which RMB1,449.1 million were customer provisions (as at December 31, 2023: restricted bank deposits were in the amount of RMB1,280.6 million, of which RMB1,189.6 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 Yake Payment Technology Co., Ltd.

TRUST DEPOSITS AND IRRECOVERABLE OVERDUE TIME DEPOSITS

As at December 31, 2024, 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 2024, the Group had the following major financial assets:

(1) Trading Financial Assets

As at December 31, 2024, the Group held structural bank deposits issued by Bank of Communications, Industrial Bank and China CITIC Bank of RMB1,100 million, RMB600 million, and RMB500 million, respectively, with the total structural bank deposits of RMB2,200 million (floating yield). The annual interest rates of such structural bank deposits varied from 1.50% to 3.00%. Such structural bank deposits have maturity periods ranging from 179 to 186 days and are non-cancellable before maturity.

(2) Financial Assets at Amortized Cost

As at December 31, 2024, the Group held certificates of deposit for more than three months issued by China Construction Bank, Bank of Communications, Minsheng Banking and Ping An Bank of RMB500 million, RMB80 million, RMB70 million, and RMB20 million, respectively, with the total certificates of deposit for more than three months of RMB670 million. The annual interest rates of such bank deposits varied from 1.90% to 3.10%. Such bank certificates of deposits have maturity periods ranging from 365 to 1,097 days and are non-cancellable before maturity.

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

Name of investment	Business nature	Percentage of	Percentage of	Fair value	Fair value	Gain for the	Gain for the
		shareholding	shareholding	as at	as at	year ended	year ended
		as at	as at	as at	as at	year ended	year ended
		December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
		2024	2023	2024	2023	2024	2023
		%	%	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted equity	Life insurance	13.26	13.26	1,004,312	830,474	173,839	-5,354
	Measured at fair value — CMRH Life						

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, 2024, the Group invested a fair value of approximately RMB1,004.3 million in CMRH Life, accounting for 3.4% of the total assets of the Group.

f. The performance in Year 2024:

According to the information provided by CMRH Life to the Company, it recorded a profit of approximately RMB439.7 million in Year 2024. The main reason is that CMRH Life resolutely transformed and optimized its business structure, adjusted product pricing rates in a timely manner, firmly implemented the “unity of reporting and action” to reduce insurance policy costs, seized opportunities in the capital market to obtain excess investment returns, and actively responded to the impact of downward interest rates to achieve annual profits.

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

According to the information provided by CMRH Life to the Company, the Central Economic Work Conference proposed five major articles on finance, and the State Council issued the new “Ten National Policies” for the insurance industry, pointing out the direction for the industry to achieve high-quality development and created a good policy environment. The regulatory authorities pointed out that “the insurance industry has great potential to serve modernization with Chinese characteristics” and the industry has maintained steady development while coping with various risks and challenges. CMRH Life will firmly implement the nine-character policy of “optimizing products, controlling costs, and creating value (優產品、控成本、創價值)”, adhere to the principle of seeking progress while maintaining stability, promoting stability through progress, adhering to integrity and innovation, establishing first and then breaking, integrating systems, coordinating and cooperating, firmly adhering to market-oriented reforms, accelerating the implementation of the three major strategies, speeding up the creation of the “two curves”, and making every effort to promote the construction of a digital ecological platform for risk management, health management, and wealth management that is the first choice for central state-owned enterprises and their employees’ families.

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

China Mobile Equity Fund

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

As at December 31, 2024, the Company has actually contributed (including the fund management fee) RMB852.2 million pursuant to the Agreement. Please refer to Note 5.c) to the financial statements for details.

CHARGE ON ASSETS

As at December 31, 2024, the Group had no charge on its assets.

CONTINGENT LIABILITIES

As at December 31, 2024, the Group had no material contingent liabilities.

GEARING RATIO

As at December 31, 2024, the gearing ratio of the Group was 22.9% (as at December 31, 2023: 23.6%), which was computed by dividing the total liabilities by the total assets of the Group as at December 31, 2024.

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.

As at December 31, 2024, the open data capacity-building project, the data governance project of TravelSky's business model of these products primarily involves utilizing data resources to provide services to customers. The Company will report the above project assets under "Intangible assets — Including: Data resources" in the 2024 financial statements, with a total amount of approximately RMB26.7 million.

MAJOR INVESTMENT OR FINANCING PLAN

As at December 31, 2024, 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 2025 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 RMB545.6 million for Year 2024 (2023: RMB1,227.8 million), mainly used in the Company's daily operation and existing system upgrade, maintenance, and others. As at December 31, 2024, the Group's capital expenditure commitment amounted to approximately RMB1,207.7 million, which will be mainly used in the Company's daily operation, maintenance, research and development and upgrading of computer system, China Mobile Equity Fund (an unlisted investment fund), etc. The sources of funding for such commitments will include existing cash at hand and internal cash flows generated from operating activities of the Group.

Additionally, in 2010, the Company purchased four parcels of land in Shunyi District, Beijing (For details, please refer to the announcement and circular of the Company dated February 26, 2010 and March 2, 2010, respectively), among which, one parcel of comprehensive land has not been built yet. In December 2024, the Company formulated the design plan for the construction of Beijing Shunyi Park Phase II ("**Shunyi Phase II Project**") and the relevant budget amounted to approximately RMB938.0 million. Taking into account of unpredictable factors including change in prices, the Board approved the Company's total expenditures for Shunyi Phase II Project not exceeding RMB1,032.0 million. The project will be funded by the Company's own funds, and is expected to have no significant impact on the daily operations and the results and performance of the Group for the relevant years. The Shunyi Phase II Project, with the total gross floor area of approximately 90.7 thousand square meters, mainly used for the construction of sources of original technologies, to carry out forward-looking application technology research, promote the digital transformation of civil aviation around the construction of smart civil aviation, and improve safety and security barriers and core competitiveness. It will be integrated with the existing Shunyi Phase I complex to create a future-oriented TravelSky High-tech Industrial Park, characterized by the seamless integration of production, education, research, and application. The Company planned to commence the construction of the first stage of the Shunyi Phase II Project (the "**First Stage**"). The construction period is approximately three years from the date of obtaining the construction permit. The total gross floor area related to the First Stage is about 71.7 thousand square meters (including six premises located in the comprehensive area), and

the related estimated budget is about RMB788.0 million. The commencement period of the second stage of the Shunyi Phase II Project (including one premise located in the comprehensive area and one premise related to property management service located in the ancillary area) has not confirmed, depending on the progress of the First Stage. The Company will disclose the progress of the Shunyi Phase II Project as appropriate until its completion.

EMPLOYEES

The Group has different rates of remuneration for different employees (including executive directors and staff supervisors), 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, 2024, the total number of employees of the Group was 6,722.

Staff costs of the Group amounted to approximately RMB2,489.7 million for Year 2024 (2023: RMB2,063.7 million), representing approximately 38.6% of the total operating expenses of the Group for Year 2024, among which, the aggregate corporate annuity expenses of the Group amounted to approximately RMB89.0 million for Year 2024 (2023: RMB82.9 million).

REPURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended December 31, 2024, 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**”). During the year ended December 31, 2024, the Company did not hold any such treasury shares.

CORPORATE GOVERNANCE REPORT

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 improves its corporate governance structure in a sustained way, so as to raise the quality of supervision and management and meet the expectations of its shareholders and the relevant parties.

The Company has 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”. As stated in the announcement of the Company dated May 2, 2022, Mr. Huang Rongshun, the chairman of the Company, was appointed as the General Manager of the Company. At present, the Chairman and General Manager of the Company are performed by the same individual, which is a transitional arrangement only. Considering that the Board constitute a sufficient number of Independent Non-executive Directors, a temporary deviation from the Code Provision would not prejudice the balanced distribution of power and authority between the Board and the management of the Company.

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. Given that the nomination process of candidates for the directors of the new session of the Board has not been completed, the re-election and appointment of members of the Board will be postponed as appropriate, and the term of office of each committee of the seventh session of the Board of the Company will be extended accordingly. The Company will endeavor to complete the re-election and appointment of members of the Board as soon as possible, and fulfill respective information disclosure obligations in a timely manner. All members of the seventh session of the Board of the Company will continue to fulfill their respective duties and responsibilities of directors in accordance with the laws, administrative regulations and the Articles until the re-election work is completed. The normal operation of the Company will not be affected by the postponement of re-election of the members of the Board.

Except for the deviation from Code Provision C.2.1 and B.2.2, the Company fully complied with the Code Provisions in 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE (SUPERVISORY COMMITTEE)

The Audit and Risk Management Committee (Supervisory Committee) of the Company 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 2024.

AUDITORS

As approved by the shareholders of the Company at the AGM on June 20, 2024, BDO China SHU LUN PAN Certified Public Accountants LLP (the “**BDO China**”) was appointed as the Chinese auditor of the Company for the year of 2024. The Board proposes to continue to appoint BDO China as the Company’s Chinese auditor for the year 2025, and the proposed appointment will be submitted to the upcoming AGM of the Company for consideration.

SUBSEQUENT EVENTS

The Company amended the Articles upon the approval at the extraordinary general meeting of the Company held on January 23, 2025. The Articles and details of its amendments are available on the websites of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.travelskyir.com). As at the date of this announcement, save for the aforesaid, the Group had no significant events which need to be disclosed.

2025 OUTLOOK

2025 is the final year of the “14th Five-Year Plan” as well as the year during which the “15th Five-Year Plan” will be drawn. The economy in China has a solid foundation, huge advantages, strong resilience and great potential. The long-term positive support and fundamental trends have not changed. The civil aviation transport market will maintain steady growth and the scale of investment will not decrease. As the digital economy is booming and the low-altitude economy is progressing from building momentum to taking off, coupled with the continuous emergence of the demonstration effect of jointly promoting the “Belt and Road Initiative” with high quality and the increasing demand for international economic and trade cooperation, the Group has consequently found significant development opportunities.

At the same time, the Group is going to face complex challenges. The uncertainties in the external environment are multiplying. The pressure on the structural reform in China is mounting. The domestic information market competition in the civil aviation industry is fierce. The number of international flights has not recovered to the level of 2019. The emerging businesses of the Company have not reached an effective scale. As a response, the Group will focus on its main responsibilities, develop its core business rapidly, and take the interests of all shareholders as its core. We will maintain our advantages and leading position in our core business and strive for more scenarios and a larger share, while investing in the digital economy, low-altitude economy, strategic emerging industries, and future industries, to actively create a second growth curve for corporate development. We believe that, through unremitting efforts, we can push the high-quality development of the Group to a higher level.

In 2025, the Group will continue to focus on the following four aspects: firstly, we will maintain the partnership between ensuring safety and promoting development, strive to ensure the sustained stability of safe production, continue to improve the level of independence and autonomy, and work to enhance information security capabilities and data security management level. Secondly, we will maintain the partnership between emphasizing innovation and promoting transformation, continuously step up scientific and technological research, continue to strengthen the role of scientific and technological innovation, and speed up the transformation of scientific and technological achievements and the quality upgrade of strategic emerging industries. Thirdly, we will maintain the partnership between stability for the present and benefits for the future. We will continue to consolidate the leading position of the Company in the industry, continuously improve the market coverage of smart civil aviation products, vigorously expand the emerging digital businesses, and strive to realize the high-quality development of globalized operations. Fourthly, we will maintain the partnership between focusing on specific key points and comprehensive plan. We will complete the final stage of deepening and upgrading reform according to a high standard, implement the layout of the “15th Five-Year Plan” at a high level, and continue to advance the key reform in a practical manner.

ONLINE PUBLICATION OF ANNUAL RESULTS

This results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk), and the website of the Company (www.travelskyir.com) which is made available pursuant to Rule 2.07C(6)(a) of the Listing Rules.

If you have any inquiries or meeting requirements, please feel free to contact the investor relations team at ir@travelsky.com.cn.

By the order of the Board
TravelSky Technology Limited
Huang Rongshun
Chairman

Beijing, the People's Republic of China

March 27, 2025

As at the date of this announcement, the Board comprises:

Executive Director: *Mr. Huang Rongshun (Chairman);*

Non-executive Directors: *Mr. Sun Yuquan, Mr. Qu Guangji and
Mr. Xi Sheng;*

Independent non-executive Directors: *Mr. Liu Zehong, Mr. Chan Wing Tak Kevin
and Mr. Xu Hongzhi;*

Employee Representative Director: *Ms. Liang Shuang.*