



TravelSky Announces 2017 Annual Results
Total Revenue up 8.2 % to RMB6,734.2 Million

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Steady Development of Each Business Segments
Marked Progress in Technology Innovation

Financial Highlights (Audited)

<i>RMB million</i>	For the Year Ended 31 December		Change
	2017	2016	
Total revenue	6,734.2	6,223.2	8.2%
Profit before taxation	2,631.6	2,869.6	-8.3%
Profit attributable to the equity holders of the Company	2,248.7	2,421.1	-7.1%
Basic and diluted earnings per share (RMB yuan)	0.77	0.83	-7.2%
Final dividend (RMB yuan per share)	0.253	0.222	14.0%
Operating Profit	2,473.4	2,177.0	13.6%

(Hong Kong, 25 March 2018) – **TravelSky Technology Limited** (“**TravelSky**” or the “**Group**”; HKEX stock code: 00696), a leading provider of information technology solutions for China’s aviation and travel industries, announced its audited annual results for the year ended 31 December 2017.

In 2017, the total revenue of TravelSky amounted to RMB6,734.2 million, representing an increase of 8.2% year-on-year. Profit before taxation decreased 8.3% to RMB2,631.6 million. Profit attributable to the equity holders of the Company decreased 7.1% to RMB2,248.7 million, after deducting the government grant of RMB 500 million awarded to the Company by local government agencies in 2016 for the purpose of encouraging and supporting the Company’s provision of aviation information technology services business on Beijing Shunyi District, the profit attributable to equity holders of the Company increased by 12.7% as compared to last year. Basic and diluted earnings per share were RMB0.77. The Board of Directors recommended a final cash dividend of RMB0.253 per share.

Mr. Cui Zhixiong, the Chairman of TravelSky said, “During the year, the Group’s ICS, CRS, APP, and core open system operated stably. The relocation work of new and old data centers was completed successfully. The Group stably pushed forward the construction of the information security demonstration projects of National Development and Reform Commission, strengthened the information security situation monitoring and improved the overall information security guarantee capacity. In addition, the Group constructed business availability analysis platforms and built up effective failure positioning decision support systems to provide data and platform support for operation and application operation and maintenance. The Group comprehensively completed the replacement of TIM (Tivoli Identity Manager), a commercial management software with its independently-developed user management system and also completed transformation of micro service for user management. The Group conducted specific safety investigation and emergency drills, strongly ensuring the production security, and successfully completed high-level security guarantee work for Spring Festival, the National People’s Congress and the Chinese Political Consultative Conference, “The Belt and Road Initiative Forum”, and the 19th Communist Party of China National Congress, amounting to a guarantee period of 165 days.

In 2017, revenue of aviation information technology (“**AIT**”) services increased by 10.9% to RMB3,878.5 million, accounting for 57.6% of the total revenue. Revenue of accounting, settlement and clearing services increased by 7.2% to RMB555.19 million, accounting for 8.2% of the total revenue. Revenue of system integration services decreased by 21.7% to RMB744.3 million, accounting for 11.1% of the total revenue. Revenue of data network and others increased by 23.6% to RMB1,556.2 million, accounting for 23.1% of the total revenue.

For **AIT services**, benefitted from the favorable development trend of China’s aviation industry as a whole, the Group’s Electronic Travel Distribution (ETD) system processed approximately 586.2 million flight bookings on domestic and overseas commercial airlines, representing an increase of approximately 11.8% over the same period in 2016. Among which, the processed flight bookings on commercial airlines in China increased by approximately 12.2%, while those on foreign and regional commercial airlines increased by approximately 3.0%. The number of foreign and regional commercial airlines with direct links to the CRS systems of the Company reached 148, with sales percentage through direct links exceeding 99.8%.

In 2017, the Group further aligned the research and development focus with the industrial trend and customers’ demand and continued to enhance its aviation-related information technology services and its extended services, with an aim to fulfill the demand of

commercial airlines for the information technology solutions on travel convenience, e-commerce, auxiliary services and international services. As a strategic partner of the Fast Travel project of IATA, our self-developed self-help luggage check-in processing system that has been introduced recently has already been put into operation in a number of airports for multiple commercial airlines in China. The commonly used self-service check-in system (CUSS) has been launched in 164 major domestic and international airports, and the online check-in service has been applied in 288 airports at home and abroad. Such products and services, together with the mobile check-in service and SMS check-in service, processed a total of approximately 232.5 million departing passengers. The number of users of our self-developed mobile application, “Umetrip”, has witnessed stable growth and introduced international travel online check-in for users for the first time. During the year, apart from the adoption of our APP services by all major commercial airlines in the PRC, more foreign and regional commercial airlines were using the Company’s APP system services, multi-host connecting program services and the Angel Cue platform connecting services, resulting in the increase of the number of such users to 123, with approximately 16 million of passenger departures processed in 100 airports. Meanwhile, all functions of the new-generation passenger service system (the “NG-PSS”) jointly developed by the Group and China’s main commercial airlines, were fully developed and constructed and all of its sub-systems passed the final acceptance check and owned its own intellectual property, thus to realize the independent control of the core technology.

For **accounting, settlement and clearing services**, the Group entered into a new phase of billing and settlement plans (BSP) service contracts with IATA. The Group successfully obtained extended electronic payment license, such that, its system research and development and production was carried out as scheduled. As to IATA billing and settlement plans system projects (IBSPs), the Group implemented the customer development and implementation work of Spain BSP data processing center by grouping and in batches. In 2017, the settlement company completed approximately 867 million transactions in quantity in system service business, and processed approximately 358.8 million pieces of BSP tickets. As an agent, it settled up to USD9.8 billion of income from passenger and freight transport, miscellaneous expenses and international and domestic clearing fees. Its electronic payment trading volume reached approximately RMB72.8 billion.

For **distribution information technology services**, the Group put more effort to develop and promote its distributed information technology service and products (such as, small and medium-sized enterprises’ travel solutions such as “1etrip (行啊)”, “Lingda (領達)” online agent solutions, “IntlStar (星際)” international airline ticket management system, and international fare search engines), continued to optimize the product lines for distribution

information technology services, in response to the needs of various users.. At the present, the Group's travel service distribution network comprises over 70,000 sales terminals owned by more than 8,000 travel agencies and travel services distributions.

For **airport information technology services**, the Group continued to enhance research and development and promotion of airport information technology service and product, secured the market share of the traditional departure front end service and product, actively participated in construction projects of domestic airport information system. The departure front end system of the new-generation APP dominated China's large and medium-sized airports. Furthermore, the Group assisted commercial airline companies in providing various services for passengers, such as, boarding, transit and connection, in 148 overseas or regional airports. The person times of departure passengers receiving such services reached approximately 38.9 million, accounting for 90.1% of the number of passengers returning from overseas of such commercial airline companies. The Group continued to promote Airport Shared Connectivity and Integration (ASCII) to 7 large-sized airport reconstruction and extension projects in Harbin, Changchun, Yancheng and etc. The Group also promoted its ground operation products such as Airport Message Broker(AMB) Platform to 15 airports in Xuzhou, Zhoushan and etc. Its newly developed airport flight operation command information platform was put into use in the airports in Shenzhen, Changsha, Dalian and etc. The customers from the airports in Fuzhou, Jinan, Urumchi and etc. had been newly added to, based on automatic, timely and accurate data collection, assist such airports to achieve universal grasp and fine control of ground production links of flights. This further consolidates the Group's market position in the airport information integration field.

For **air freight logistics information technology services and public information technology services**, as per the national "Belt and Road" initiative strategy and air transport safety policy, continued to improve and promote air cargo transport logistics information technology service and product to assist the cargo station and freight forwarder to improve operation and safety level. The systematically processed air waybills reached about 17.3 million pieces within the year. Meanwhile, the Group set up an independent and manageable cloud computing service platform, developed multi-layered cloud computing solutions and provided cloud service for China Bidding Public Service Platform Limited (中國招標公共服務平台有限公司) and Guobao Life Insurance Co., Ltd..

Mr. Cui concluded, "The year 2018 marks the first year of implementing the spirit of the 19th CPC National Congress, a crucial year of securing a decisive victory in building a moderately prosperous society in all respects and bridging the past and the future in implementing the 13th Five-Year Plan, and a year of embarking on a new journey to raise China's civil aviation power. The Group will build on its existing development strategies,

uphold the underlying principle of pursuing progress while ensuring stability, pursue high-quality development as a way to raise its capabilities, strengthen areas of weakness and emphasize implementation. Firstly, the Group will improve its long-term security mechanism to lay a solid foundation for development by strengthening safety awareness in production, enhancing support capabilities of safety and security matters, improving the safety responsibility system, strengthening the leadership of security organizations. Secondly, the Group will strengthen its judgment on situation to seize market opportunities by closely keeping up with the industry development trend and focusing on the needs of various types of customers. It will implement business layout comprehensively by taking serious measures to develop products, improving service capability and actively exploring overseas business as a way to focus on our development advantages. Thirdly, the Group will strengthen its leading role in innovation with great efforts to be made to promote the construction of technology platforms, continuously optimize the research and development system and strengthen the construction of scientific and technological innovation platforms in order to boost driving forces for development. Fourthly, the Group will optimize its fundamental management by improving development quality and setting up strategies-oriented, talents-oriented, cost-oriented and rule-of-law-oriented approaches.”

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