

Immediate Release



**TravelSky Announces 2019 Annual Results
Total Revenue up 8.7% to RMB8,121.7Million**

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Financial Highlights

<i>RMB million</i>	For the Year Ended 31 December		Change
	2019	2018	
Total revenues	8,121.7	7,472.1	8.7%
Profit before taxation	2,819.7	2,650.4	6.4%
Profit attributable to Owners of the Company	2,542.9	2,325.1	9.4%
Basic and diluted earnings per share (RMB Yuan)	0.87	0.79	10.1%
Final dividend (RMB Yuan per share)	0.289	0.269	7.4%

(Hong Kong, 27 March 2020) – **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 2019.

In 2019, the total revenue of TravelSky amounted to approximately RMB8,121.7million, representing an increase of 8.7% year-on-year. Profit before taxation increased 6.4% to approximately RMB2,819.7 million. Profit attributable to the equity holders of the Company increased 9.4% to approximately RMB2542.9 million. Basic and diluted earnings per share were RMB0.87. The Board of Directors recommended a final cash dividend of RMB0.289 per share.

During 2019, revenue of aviation information technology (“AIT”) services increased by 8.6% to approximately RMB4,517.2 million, accounting for 55.6% of the total revenue. Revenue of accounting, settlement and clearing services increased by 3.0% to approximately RMB597.0 million, accounting for 7.4% of the total revenue. Revenue of system integration services increased by 23.3% to approximately RMB1,168.0 million, accounting for 14.4% of the total revenue. Revenue of data network decreased by 5.3% to approximately RMB 485.1 million, accounting for 6.0% of the total revenue. Revenue of the others increased by 6.4% to

approximately RMB1,354.4 million, accounting for 16.6% of the total revenue.

For **AIT services**, the Group's Electronic Travel Distribution (ETD) system processed approximately 689.3 million system capacity on domestic and overseas commercial airlines, representing an increase of approximately 7.1% over the same period in 2018. Among which, the processed system capacity on commercial airlines in China increased by approximately 6.9%, while those on foreign and regional commercial airlines increased by approximately 10%. The number of foreign and regional commercial airlines with direct links to the CRS systems of the Group reached 151, with sales percentage through direct links exceeding 99.8%. More foreign and regional commercial airlines were using the Group's APP system services, multi-host connecting program services and the self-developed Angel Cue platform connecting services, resulting in the increase of the number of such users to 155, with approximately 19.5 million of passenger departures processed in 100 airports.

In 2019, the Group continued to enhance its 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. As a strategic partner of the Fast Travel project of IATA, the commonly used self-service check-in system (CUSS) has been launched in 184 major domestic and international airports, and the online check-in service has been applied in 318 domestic and international airports. Such products and services, together with the mobile check-in service and SMS check-in service, processed a total of approximately 352 million departing passengers. The self-developed mobile application, "Umetrip", keeps updating the intelligent recommendation function and visual effect after launching the new vision, and the deployment of electronic boarding pass clearance that supports eID identity electronic certificate was completed for 82 airports, which realized the first industry-wide application of eID identity electronic certificate. The Group provided full-process convenient clearance technology solutions for China's commercial airlines, to help improving their passengers' experiences in various services, such as, security check and boarding. The completion of the construction of full-process baggage tracking platform for "Baggage Travel" realized the connection with the four large domestic commercial airlines and achieved baggage processing data access of various airports. The "Aviation Information Inquires" supported "paperless" for international flights and involved newly signed business agreements in relation to international "Aviation Information Inquires" with 23 domestic commercial airlines" for international flights. Customers for e-commerce platform of airlines increased to 12 by adding Shandong Airlines Co., Ltd., Xiamen Airlines Co., Ltd., Air Guilin Co., Ltd., etc.. Responding to the "The Belt and Road Initiative", the Company has continued to expand overseas market. The core system of the Company increased 4 foreign and regional commercial airlines customers, such as Cambodia Airways. By capturing the opportunity of vigorously developing general aviation, the Group continued to maintain the full coverage over the general short-distance aviation market and proactively expand airport customers in general aviation.

For **accounting, settlement and clearing services**, the Group continued to consolidate and expand the market of accounting, settlement and clearing services, and the research and

development and the operation of the relevant systems commenced as scheduled. By focusing on the construction of the third generation of settlement system products, the Group accelerated the research and development of operation and maintenance system construction, and by focusing on settlement business, it proactively promotes the completion of value-added product projects such as over-weight luggage protection. Cargo revenue accounting systems realized full coverage over the three main commercial airlines in China. The Group successfully signed with Guangzhou Baiyun International Airport for real time settlement of airport service charges and completed the implementation. The BSP Online Payment Platform (BOP) has added a new distribution capability (NDC) real-time settlement service, which has enabled the NDC technical standard to be applied to the payment channel for the first time, and the BOP daily settlement service has been promoted to 8 commercial airlines in China, such as Air China Co., Ltd., Shandong Airlines Co., Ltd. and LongJiang Airlines Co., Ltd.. There were approximately 1,071.9 million transactions processed with the Group's accounting, settlement and clearing system and approximately 432.8 million BSP tickets processed with the BSP data processing services. Passenger, cargo and mail revenue, miscellaneous fees as well as international and domestic clearing amount settled by agents exceeded USD11.55 billion, and the transaction amount of the electronic payment system was approximately RMB115.09 billion.

For **distribution information technology services**, the Group's travel service distribution network comprises over 70,000 sales terminals owned by more than 8,000 travel agencies and travel service distributors, with direct links and high-level networking to all Global Distribution Systems ("GDSs") around the world and 151 foreign and regional commercial airlines through SITA networks, covering over 400 domestic and overseas cities. The Group rendered technology support and localized services to travel agencies and travel service distributors through more than 40 local distribution centres across China and nearly 10 overseas distribution centres across Asia, Europe, North America and Australia.

For **airport information technology services**, the Group continued to enhance research and development and promotion of airport information technology service and product, while secured the market share of the traditional departure front end service and product, and established a full coverage product mode from airport operation to full process passenger service by application of facial recognition, artificial intelligence and other advanced technologies and by leveraging the information integration platform with advanced intelligence, thus became the only provider of overall solutions for China smart airport in China's civil aviation industry, and helped the construction of airport with four characteristics of "safety", "green", "smart", "humanity". The product has already applied in the 23 first batch of four characteristics airports such as Beijing Capital, Beijing Daxing, Guangzhou Baiyun, Shenzhen Bao'an, and Changsha Huanghua. The airport coordination decision-making system (A-CDM) products have been promoted and put into operation in more than ten airports in Shenzhen, Urumchi, Changsha and others cities which have annual passenger with over ten million, with users reaching to 11. Products of "facial recognition & ID authentication" for security inspection have been promoted to 207 airports. Face boarding project launched in more than 10 airports such as Beijing Capital, Beijing Daxing, Shanghai Hongqiao, Guangzhou Baiyun and the users

reached 27. We are the first service supplier to launch the manual/self-service switchable luggage service in China. The departure system, security inspection system and passenger operation and management system of Beijing Daxing International Airport have been successfully put into operation, which secured its departure and the transit of users of airlines. The departure front end system of the new-generation APP dominated China's large and medium-sized airports. Furthermore, the system assisted commercial airlines in providing various services for passengers, such as, boarding, transit and connection, in 172 overseas or regional airports. The number of departure passengers receiving such services reached approximately 47.9 million, approximately for 92.9% of the number of passengers returning from overseas of such commercial airlines of China.

For **air freight logistics information technology services and public information technology services**, the Group, as per the national "The Belt and Road Initiative" strategy and air transport safety policy, improved and promoted air cargo transport logistics information technology service and product. The Group has successfully researched and developed the first intelligent freight security inspection information system with independent intellectual property right in China, which has been put into operation in Beijing Daxing International Airport. In 2019, the Group put more effort in research and development and promotion of public information technology service products. With an emphasis on state-owned enterprises, governmental authorities, financial and internet enterprises, the key projects of data centre service have all been put into operation at the new data centre in Shunyi, Beijing and the Group has successfully extended contracts with China Galaxy Securities Company Limited, the information centre under the Ministry of Civil Affairs and other long-term clients.

Since the occurrence of the Novel Coronavirus Pneumonia Epidemic (the "Epidemic"), the PRC and foreign countries have adopted various strict measures to curb the spread of the Epidemic. Due to the significant decline in the number of passenger transportation in civil aviation industry, the Epidemic is expected to have an adverse impact on the Group's operating performance for the first half of 2020 and the year of 2020. Since the occurrence of the Epidemic, the Group has made continuous efforts in prevention and control, maintained a 7 × 24-hour real-time responses to the technical and commercial services. By virtue of its advantages in information systems, big data, and real-time computing technologies, the Company conducts close cooperation in research and development of products, accelerates the application of new technologies and provides technical support and service safeguard for scientific anti-epidemic. The Group will closely pay attention to exposure to the risks and uncertainties in connection with the Epidemic and make continuous assessment of the impact of the Epidemic on the Group's operating and financial performance in 2020.

Mr. Cui Zhixiong, the Chairman of TravelSky said, "The year 2020 marks the end of building a well-off society in an all-round way and the 13th Five-Year Plan. It is the key year to achieve the first centennial goal and lay a solid foundation for the development of the 14th Five Year Plan and the realization of the second centennial goal. Standing at the historical intersection of the two centenary goals, the Group also faces more complex domestic and international environment, with challenges and opportunities To this end, the Group will firmly focus on the

development strategy with the new development concept under the new situation, strive to promote high-quality development, ensure safe operation, strengthen scientific and technological support, optimize enterprise management, and improve service quality. It will focus on the following six aspects: first, focus on safety and stability, strengthen safety management system and guarantee passenger information system for civil aviation; second, focus on efficiency and steady growth, adhere to the goal guidance, put the responsibility in place, adhere to increase income and reduce expenditure, reduce costs and increase efficiency, and adhere to cooperation mutual benefit and win-win result; third, focus on reform and development, promote the reform of mixed ownership, and reform the organizational system; fourth, focus on innovation and increase momentum, start to draw up a medium- and long-term plan for system construction, enhance the layout in the new technology field, and continuously increase investment in research and development; fifth, focus on management and promotion, improve management level, reform talent system, improve subsidiary governance system and strengthen risk management and control; six, focus on service and image building, solve customer's problem, improve the service system, and upgrade service capabilities.”

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About TravelSky Technology Limited (HKEX Stock Code: 0696)

TravelSky Technology Limited is a leading provider of information technology solutions for China's aviation and travel industry, standing at a core tache along the value chain of China's aviation and travel service distribution. The Group has been devoted to serving the needs of all industry participants ranging from commercial airlines, airports, travel products and services providers, travel agencies, travel service distributors, corporate clients, travelers and cargo shippers, as well as major international organisations such as International Air Transport Association (**IATA**) and government bodies, with the scope of services covering the provision of critical information systems on flight control, air ticket distribution, check-in, boarding and load planning, accounting, settlement and clearing, etc.. With more than four decades of tenacious development, the Group has built up a complete industry chain for aviation and travel information technology services, established a relatively comprehensive, competitively priced product line of aviation and travel information technology services with robust functionality. For further details regarding to TravelSky, please visit its website at <http://www.travelskyir.com/>.

Issued by **Porda Havas International Finance Communications Group** for and on behalf of **TravelSky Technology Limited**. For further information, please contact:

Kelly Fung	+852 3150 6763	kelly.fung@pordahavas.com
Emily Yin	+852 3150 6732	emily.yin@pordahavas.com
Ivy Chen	+852 3150 6522	i.chen@pordahavas.com
Carolyn Yang	+852 3150 6794	carolyn.yang@pordahavas.com
Vicky Ng	+852 3150 6739	vicky.ng@pordahavas.com

Email : travelsky.hk@pordahavas.com