porda havas/amo
strategic advisors

Immediate Release

TravelSky Announces 2020 Interim Results

Financial Highlights

RMB million	For the Six Months Ended 30 June		Change
	2020	2019	
Total revenue	**2,286.6**	3,844.3	-40.5%
Profit before taxation	**-255.3**	1,694.1	-115.1%
Profit attributable to the equity holders of the Company	**-323.2**	1,423.0	-122.7%
Basic and diluted earnings per share (RMB yuan)	**-0.11**	0.49	-122.4%

(Hong Kong, 27 August 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 unaudited interim results for the six months ended 30 June 2020 ("the period under review").

In the first half of 2020, the Novel Coronavirus Pneumonia Epidemic (the "Epidemic") continued to spread globally, which caused a serious impact on the air transportation industry. As the leading provider of information technology solutions for China's aviation and travel industry, Travelsky also faced unprecedented challenges in various businesses. In the first half of 2020, Travelsky's total revenue amounted to RMB2,286.6million, representing a decrease of 40.5% compared to the first half of 2019. Profit before taxation decreased 115.1% to RMB-255.3million year-on-year. Profit attributable to the equity holders of the Company decrease 122.7% to RMB-323.2million year-on-year. The losses per share of the Group were RMB-0.11.

In the first half of 2020, revenue from aviation information technology ("**AIT**") services decreased by 55.2% year-on-year to RMB996.3 million, accounting for 43.6% of the total

revenue. Revenue from accounting, settlement and clearing services decreased by 28.0% to RMB217.8million, accounting for 9.5% of the total revenue. Revenue from system integration services decreased by 13.5% to RMB413.6 million, accounting for 18.1% of the total revenue. Revenue from data network decreased by 20.6% to RMB193.1 million, accounting for 8.4% of the total revenue, others decreased by 21.9% to RMB465.8 million, accounting for 20.4% of the total revenue.

For **AIT services**, the Group's Electronic Travel Distribution (ETD) system (including Inventory Control System ("ICS") services and Computer Reservation System ("CRS") services) processed approximately 148.6 million flight bookings of domestic and overseas commercial airlines, representing a decrease of approximately 55.9% over the same period in 2019. Among them, the processed flight bookings of commercial airlines in China decreased by approximately 54.6%, while those of foreign and regional commercial airlines decreased by approximately 90.5%. The number of foreign and regional commercial airlines using the Group's Airport Passenger Processing System service ("APP"), multi-host connecting service and the self-developed Angel Cue platform connecting service was 144, with approximately 2.0 million of passenger departures processed in 80 airports, representing a decrease of approximately 78.9% over the same period in 2019. Meanwhile, the number of foreign and regional commercial airlines with direct links to the Group's CRS remained at 151 with the sales percentage through direct links increased to approximately 99.8%.

In the first half of 2020, the Group made concentrated efforts to improve aviation information technology and its extended services to strongly support the demand of commercial airlines for the information technology services on passengers convenience, e-commerce, auxiliary services, and the Epidemic prevention and control. As a strategic cooperation partner of the "Fast Travel" Project of the International Air Transport Association ("IATA"), the commonly used self-service check-in system (CUSS), the Group's self-developed product that conforms to IATA standards, has been launched in 178 major domestic and overseas airports, and the online check-in service has been applied in 331 domestic and foreign airports. Such products and services, together with the mobile check-in product and the SMS check-in product, processed a total of approximately 78 million departing passengers. Full-process baggage tracking platform for "Baggage Travel" accomplished the security work with high quality of the pilot routes of the Civil Aviation Administration of China proposed at the National People's Congress (NPC) of the People's Republic of China and the Chinese People's Political Consultative Conference (CPPCC),

and successfully realized the connection with more than 10 airlines such as the four major airlines and more than 20 airports such as Beijing Capital, Daxing, Shanghai Hongqiao and Wuhan. The Group accelerated the construction of the first phase of the new distribution capability (NDC) PLUS project, with an aim to build a passenger-oriented basic platform of passenger service system with sales, service and delivery services integrated. The Group steadily carried out the upgrading and rebuilding of e-commerce platforms, and advanced the second phase construction of digital retail platform for airlines so as to fully support solutions to service and retail transformation of airlines.

For **accounting, settlement and clearing services**, the Group was also adversely affected. In this regard, the Group actively adjusted business strategies to respond to market changes. It expedited product capacity construction, with focus on the product research and development of the third-generation passengers transport revenue management platform products. Continued efforts were made to consolidate the market of settlement and clearing services, and the settlement solutions to ONE Order helped Singapore Airlines become the world's leading commercial airline that realized combined transport based on ONE Order of the IATA. The Group successfully signed with Shanghai Pudong International Airport for real time settlement platform for airports' service charges. In the first half of 2020, there were approximately 343.9 million transactions processed with the Group's settlement and clearing system. The total amount of all kinds of business processed by the Group's settlement and clearing system exceeded USD3.1 billion, and the transaction amount processed by the electronic payment system was approximately RMB25.5 billion.

For **distribution of information technology services**, the Group promoted the research and development and production of, and expanded the market of, the key products of distribution of information technology services. The new generation distribution system construction project completed the verification of NDC production system in foreign airlines such as Singapore Airlines and Iberia Airlines, and introduced downstream the API that conformed to the NDC standard to support agent customers to realize the sales of NDC products by foreign airlines. Faced with an overall downturn in the overseas sales market, the Group stepped up efforts to consolidate our overseas sales base. Efforts were made to accelerate the certification of overseas Billing and Settlement Plan ("BSP"), complete the certification of BSP in 6 countries including France and Italy, and reach overseas sales cooperation with Air China Limited in 6 countries including South Korea and Singapore.

For **airport information technology services**, the Group kept abreast of airport construction, and enhanced update and promotion of airport information technology services and products , while making unremitting efforts to secure the market share of the traditional departure front end services and products, and actively participate in projects such as construction of airports with four characteristics of "safety", "green", "smart" and "humanity",. "Baggage Travel", smart airport ground operation products, smart transit products and smart travel products have achieved actual effect in airports which have passengers with over ten million, and the security work on the second transit of Beijing Daxing International Airport was completed. The departure front end system of the new-generation APP dominated China's large and medium space sized airports. Furthermore, the system assisted commercial airlines in providing various services for passengers, such as, boarding, transit and connection, in 148 overseas or regional airports. The number of departure passengers receiving such services reached approximately 5.2 million, accounting for approximately 90% of the number of passengers returning from overseas of such commercial airlines of China.

For **public information, aviation logistics and general aviation information technology services**, the Group devoted its resource to promote business synergy, and seize information technology service opportunities in the fields of public information, aviation logistics and general aviation. To enhance the market influence of "TravelSky Cloud Data" on civil aviation industry and governmental enterprises, we actively expanded customers for "TravelSky Cloud Data" in civil aviation industry to further promote cloud platform service of civil aviation industry. The Group accelerated the promotion of electronic waybills business and the processed system capacity on electronic waybills reached 450,000 in the first half of the year. It continued to expand the general aviation information technology service market with more than 60 general aviation companies and airports using general aviation systems.

In the first half of 2020, holding on to the bottom line that "system is not stopped, business is not suspended, and pressure is not abated", the Group actively fulfilled its social responsibilities, gave full play to its own advantages, and worked hard to improve quality and efficiency, as a way to provide strong technical support and service guarantee for scientific and technological anti-epidemic and resumption of work and production . On the one hand, the Group made every effort to ensure the stability of ICS, CRS, APP, and core open systems, and realized 7×24-hour real-time responses of technology and commercial services to escort the peak of passenger refund. To assist in joint prevention and control for the Epidemic, the Group successfully completed the safe operation of the civil aviation passenger information system during the Chinese Spring Festival travel rush, the NPC and CPPCC sessions. On the other hand, the

Group increased our research and development efforts in basic platforms, core systems, key applications, and key products, enhanced the comprehensive development ability of the research and development system software, and obtained the highest level of CMMI5 certification. The construction of the "double-mode" infrastructure cloud platform progressed steadily, and the productization process was accelerated to gradually put products into use. The construction of disaster recovery system was continuously promoted, with commencement of the data-level disaster recovery synchronization of core business. Intensified efforts were made to strengthen the energy saving and consumption reduction transformation of the data center.

Mr. Cui Zhixiong, the Chairman of TravelSky said, "Prospects for the second half of 2020, the Group will continue to focus on the development strategies firmly, grasp the current situation, combine with the industry characteristics, use high-quality development as the core, emphasize the key points, carry out the strategies accurately, try our best to prevent and control the Epidemic and each works under the reform and development: prevent and control the epidemic strictly to ensure the orderly production; comprehensively deepen reform to stimulate internal vitality; strengthen technological innovation to enhance the core competition; push forward to improve the quality and efficiency to tap the deep potential; and adhere to service first to form a strong cohesion."

- End -

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-sector 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 organizations 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

Email：travelsky.hk@pordahavas.com