中国航信
TravelSky

TravelSky Technology Limited
(A joint stock limited company incorporated in the People's Republic of China with limited liability)
Stock Code: 00696.HK
H shares listed on 7 Feb 2001

2019 INTERIM RESULTS

Aug. 2019

Disclaimer

The information contained in this document is for general informational purposes only and does not constitute an offer, solicitation, invitation or recommendation to subscribe for or purchase any securities, or other products or to provide any investment advice or service of any kind. This document is solely intended for distribution to and use by professional investors. This document is not directed at, and is not intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject TravelSky Technology Limited（"TravelSky"）to any registration requirement within such jurisdiction or country.
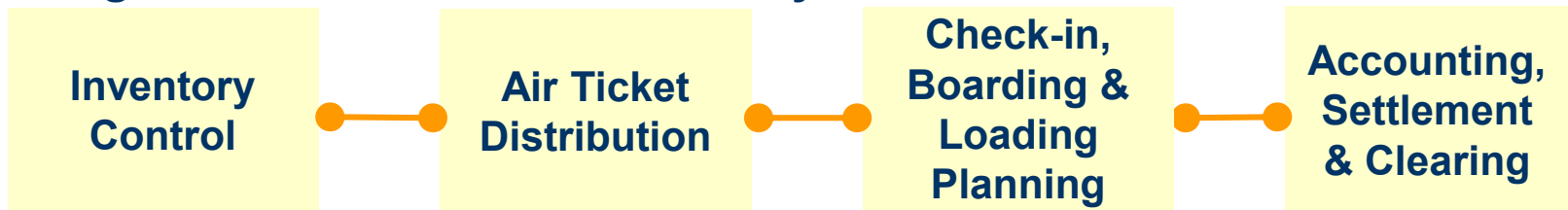
This document contains forward-looking statements which are based on the current expectations, estimates, projections, beliefs and assumptions of TravelSky about the businesses and the markets in which it and its subsidiaries operate. These forward-looking statements are not guarantees of future performance and are subject to market risk, uncertainties and factors beyond the control of TravelSky. Therefore, actual outcomes and returns may differ materially from the assumptions made and the statements contained in this document.

Although the information contained in this document is obtained or compiled from sources believed to be reliable, TravelSky does not guarantee the accuracy, validity, timeliness or completeness of the information or data for any particular purpose, and shall not accept any responsibility for, or be liable for, errors, omissions or other inaccuracies in the information or for the consequences thereof. The information set out in this document is provided on an "as is" and "as available" basis and may be amended or changed. It is not a substitute for professional advice which takes account of your specific circumstances and nothing in this document constitutes legal advice. TravelSky shall not be responsible or liable for any loss or damage, directly or indirectly, arising from the use of or reliance upon any information provided in this document.

Company Highlights

> **The dominant provider of information technology solutions for China's aviation and travel industry**

- **With four decades of tenacious development, we have developed a wide range of leading information technology products and services along the value chain of the industry**

| Inventory Control | Air Ticket Distribution | Check-in, Boarding & Loading Planning | Accounting, Settlement & Clearing |

- **Services tailored to the needs of extensive clientele**

| **Airlines** | **Airports** | **Travel Product Providers** | **Travel Agencies** | **Air Travel Consumers** | **Cargo Shippers** |

3

Shareholders Structure
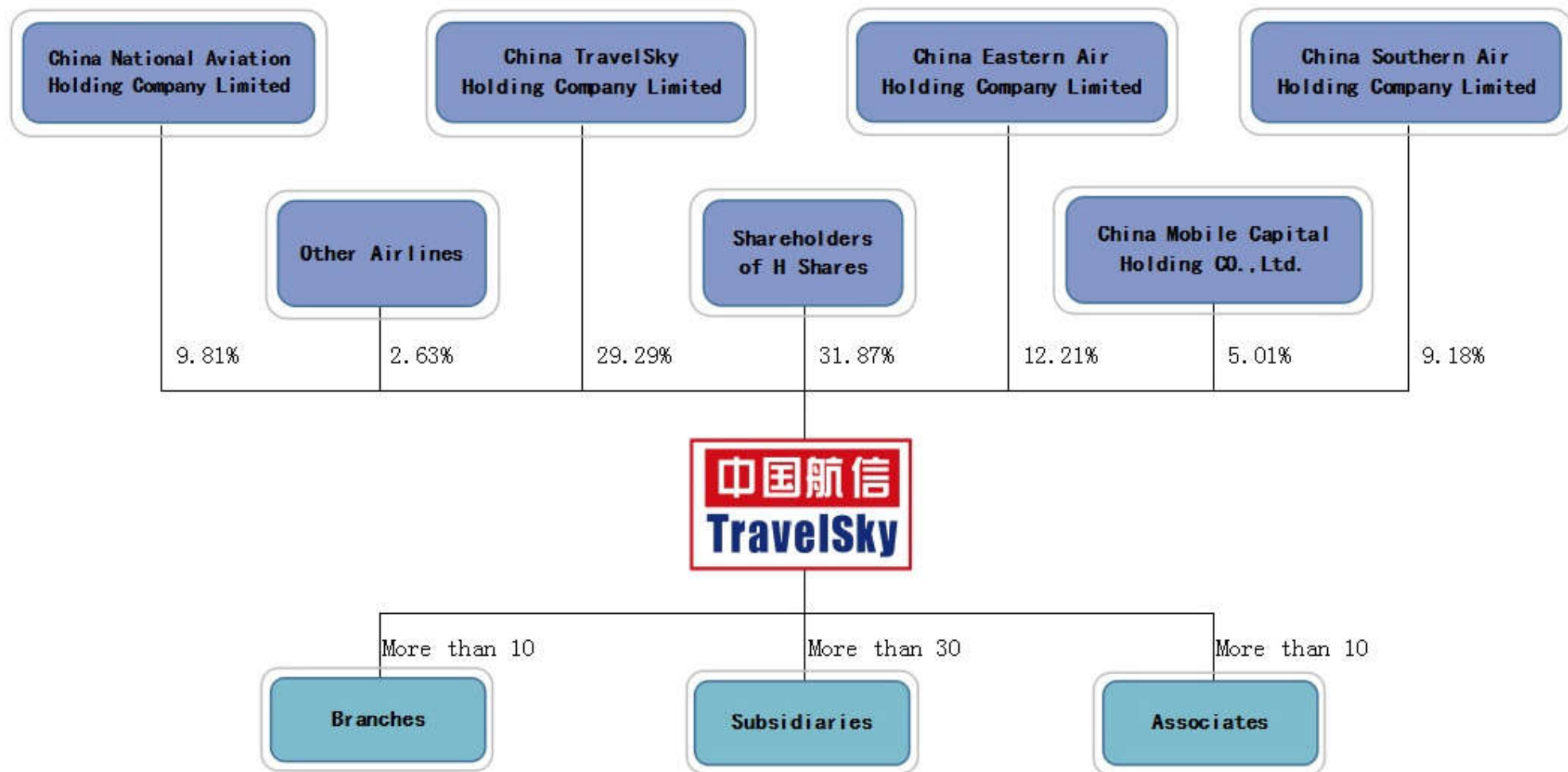
Operating Overview

	2019 1H	2018 1H	YOY Change
System Processed Volume (Million)	337.3	313.0	7.8%
Chinese Commercial Airline	324.5	301.3	7.7%
Foreign Commercial Airline	12.8	11.7	9.6%
BSP Tickets （Processed By ACCA ）(Million)	206.3	191.8	7.6%
Number of Newly Added Airports involved in System Integration Projects （pcs）	10	8	25.0%
Annual Number of System Integration Projects Under Implementation（pcs）	90	77	16.9%

System Processed Volume

Million

CAGR(FY06 1H至FY10 1H)=14.30%
CAGR(FY11 1H 至FY15 1H)=10.48%
CAGR(FY16 1H至 FY19 1H)=10.48%

FY	Total	Chinese Commercial Airlines	Foreign Commercial Airlines
FY06 1H	81.58	78.5	3.08
FY07 1H	95.36	91.7	3.66
FY08 1H	102.06	97.91	4.15
FY09 1H	115.36	111.75	3.61
FY10 1H	137.57	132.33	5.24
FY11 1H	151.85	145.84	6.01
FY12 1H	164.61	156.9	7.7
FY13 1H	183.15	173.71	9.44
FY14 1H	201.5	192.2	9.3
FY15 1H	226.4	215.7	10.7
FY16 1H	251.0	240.1	10.9
FY17 1H	281.0	269.5	11.5
FY18 1H	313.0	301.3	11.7
FY19 1H	337.3	324.5	12.8

■ Chinese Commercial Airlines   ■ Foreign Commercial Airlines

Seasonal Fluctuation

TravelSky
中国航信

Daily System Processed Volume of Chinese Commercial Airlines

Legend: FY19 · FY18 · FY17 · FY16 · FY15 · FY14 · FY13 · FY12 · FY 11 · FY 10 · FY 09 · FY 08 · FY 07
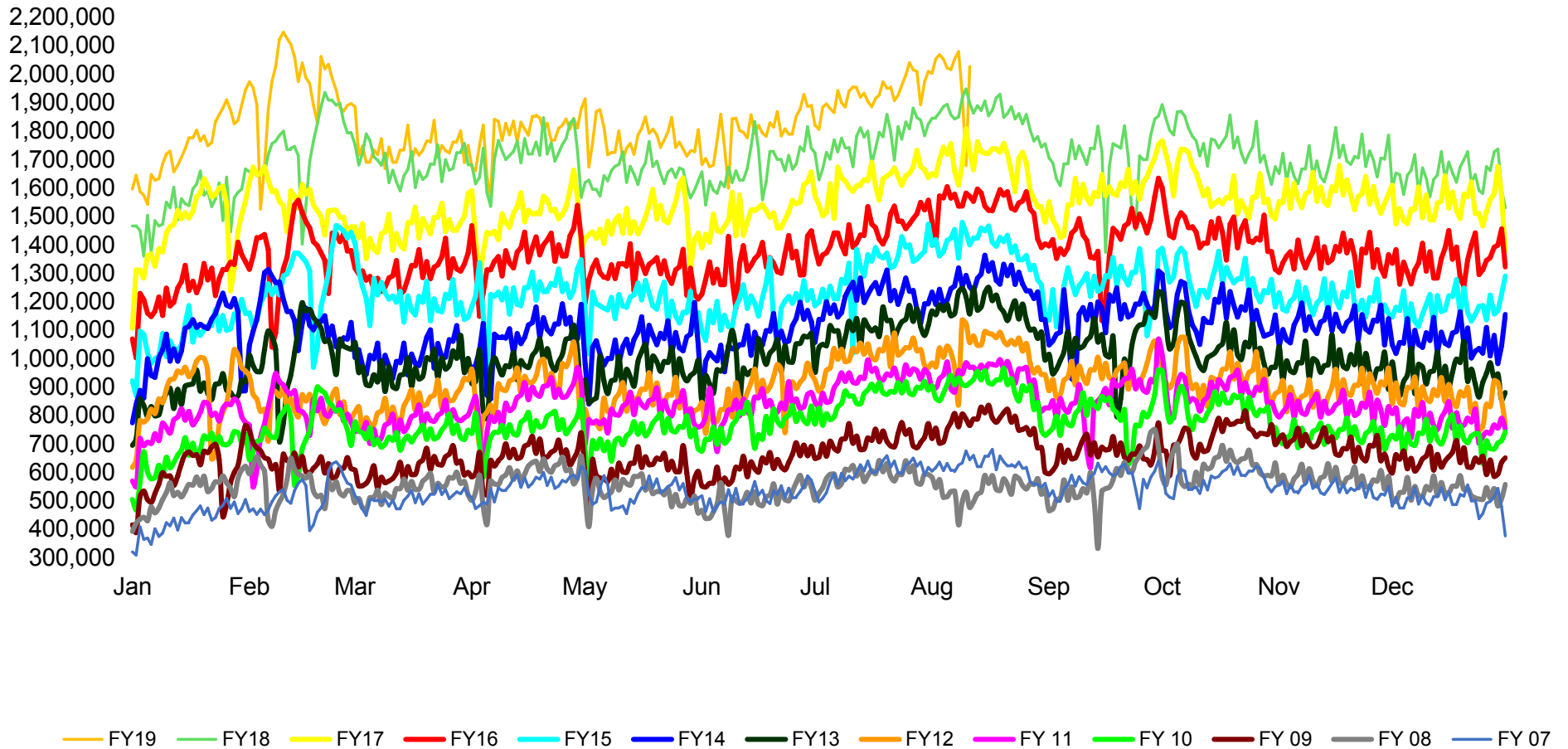
Financial Highlights

	2019 1H	2018 1H	YOY Change
Total Revenues(RMB Million)	**3,844.3**	**3,521.7**	**9.2%**
Operating Profit (RMB Million)	**1,553.1**	**1,478.8**	**5.0%**
Profit Attributable To Owners of the Company(RMB Million)	**1,423.0**	**1,347.5**	**5.6%**
Earnings Before interest and Tax,Depreciation and Amortisation(RMB Million)	**2,010.4**	**1,842.9**	**9.1%**
Basic & Diluted Earnings Per Share (RMB)	0.49	0.46	6.5%
Operating Margin	40.4%	42.0%	-1.6pts
Gearing Ratio	22.2%	26.0%	-3.8pts

Revenue Analysis

（RMB Million）	2019 1H	2018 1H	YOY Change	Percentage of total revenues
Total Revenues	**3,844.3**	**3,521.7**	**9.2%**	——
Aviation information technology services	**2,224.0**	**2,042.5**	**8.9%**	**57.9%**
Accounting, settlement and clearing services	**302.5**	**292.3**	**3.5%**	**7.9%**
System integration services	**478.0**	**386.1**	**23.8%**	**12.4%**
Data network	**243.3**	**247.1**	**-1.5%**	**6.3%**
Other revenues	**596.5**	**553.7**	**7.7%**	**15.5%**

2019 1H
- 15.5%
- 6.3%
- 12.4%
- 7.9%
- 57.9%

2018 1H
- 15.7%
- 7.0%
- 11.0%
- 8.3%
- 58.0%

- ■ Aviation information technology services
- ■ Accounting, settlement and clearing services
- ■ System integration services
- ■ Data network
- ■ Other revenues
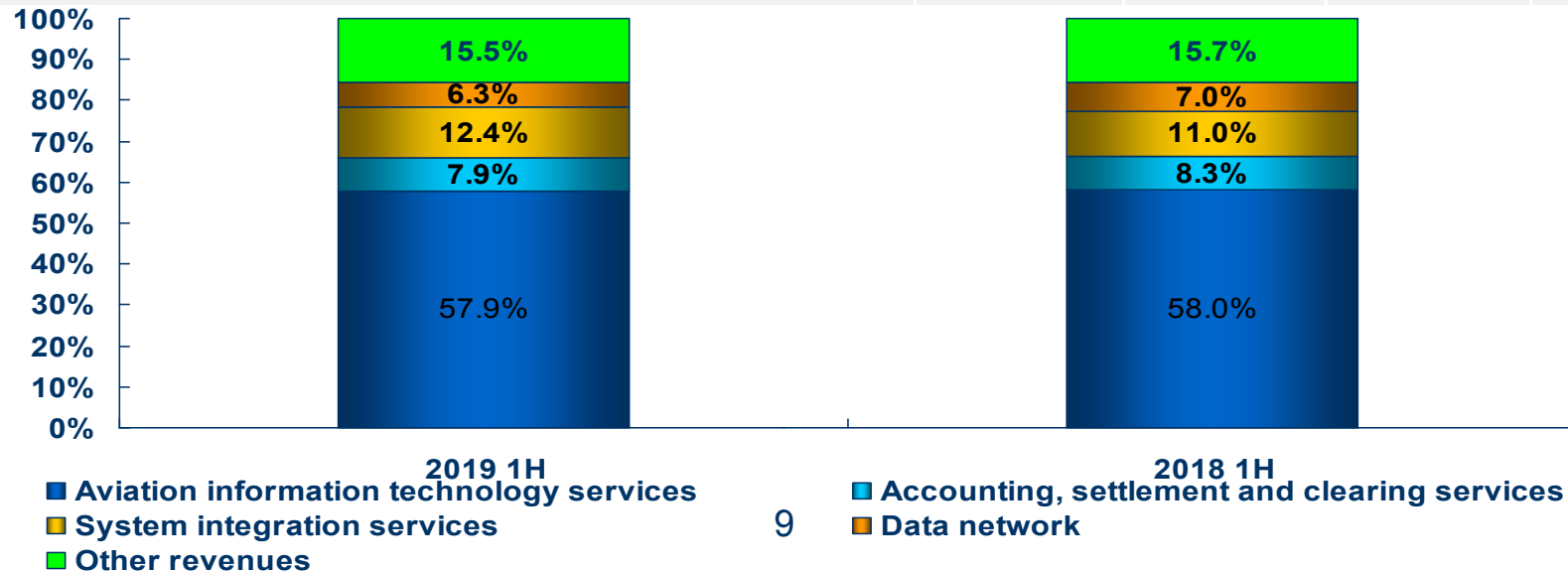
Operating Expense Analysis

（RMB Million）	2019 1H	2018 1H	YOY Change	Percentage of total expense
Total operating expenses (RMB Million)	**2,291.2**	**2,043.0**	**12.1%**	——
Personnel expenses	**746.7**	**633.4**	**17.9%**	**32.6%**
Depreciation & amortization	**414.5**	**299.6**	**38.4%**	**18.1%**
Commission & promotion expenses	**380.6**	**357.6**	**6.4%**	**16.6%**
Technical support & maintenance fees	**315.2**	**352.8**	**-10.7%**	**13.8%**
Cost of software & hardware sold	**256.1**	**153.4**	**66.9%**	**11.2%**
Other operating expenses	**100.3**	**135.1**	**-25.8%**	**4.3%**
Network usage fees	**40.8**	**42.3**	**-3.5%**	**1.8%**
Business taxes & other surcharges	**37.0**	**26.7**	**38.6%**	**1.6%**
Operating lease payments	**0**	**42.1**	——	——

Operating Expense Analysis

2019 1H

4.3% 1.6%
11.2%
18.1%
16.6%
1.8%
13.8%
32.6%
0.0%

2018 1H

1.3%
6.6%
7.5%
14.7%
17.5%
2.1%
17.3%
31.0%
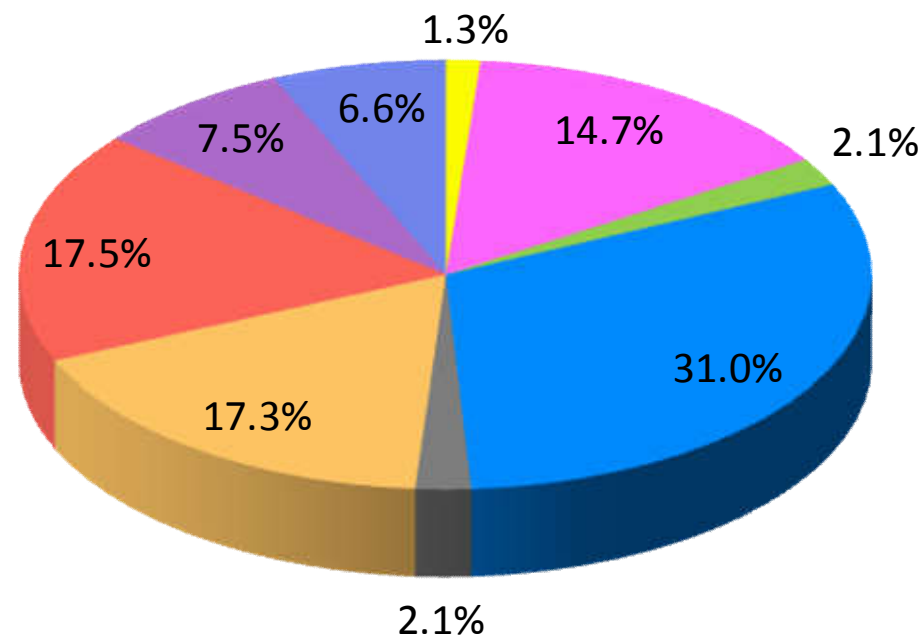2.1%
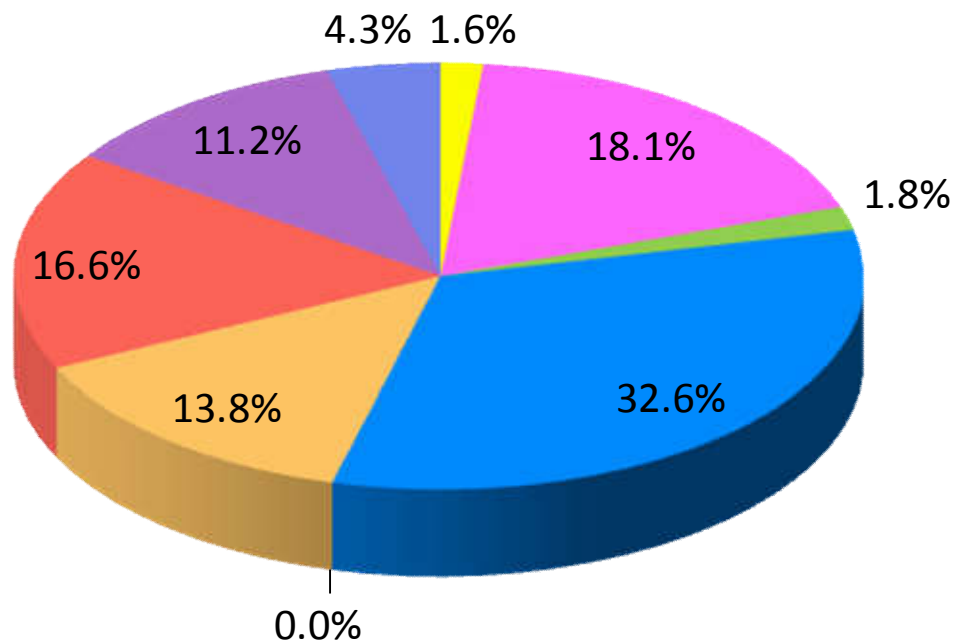
- Business taxes and other surcharges
- Network usage fees
- Operating lease payments
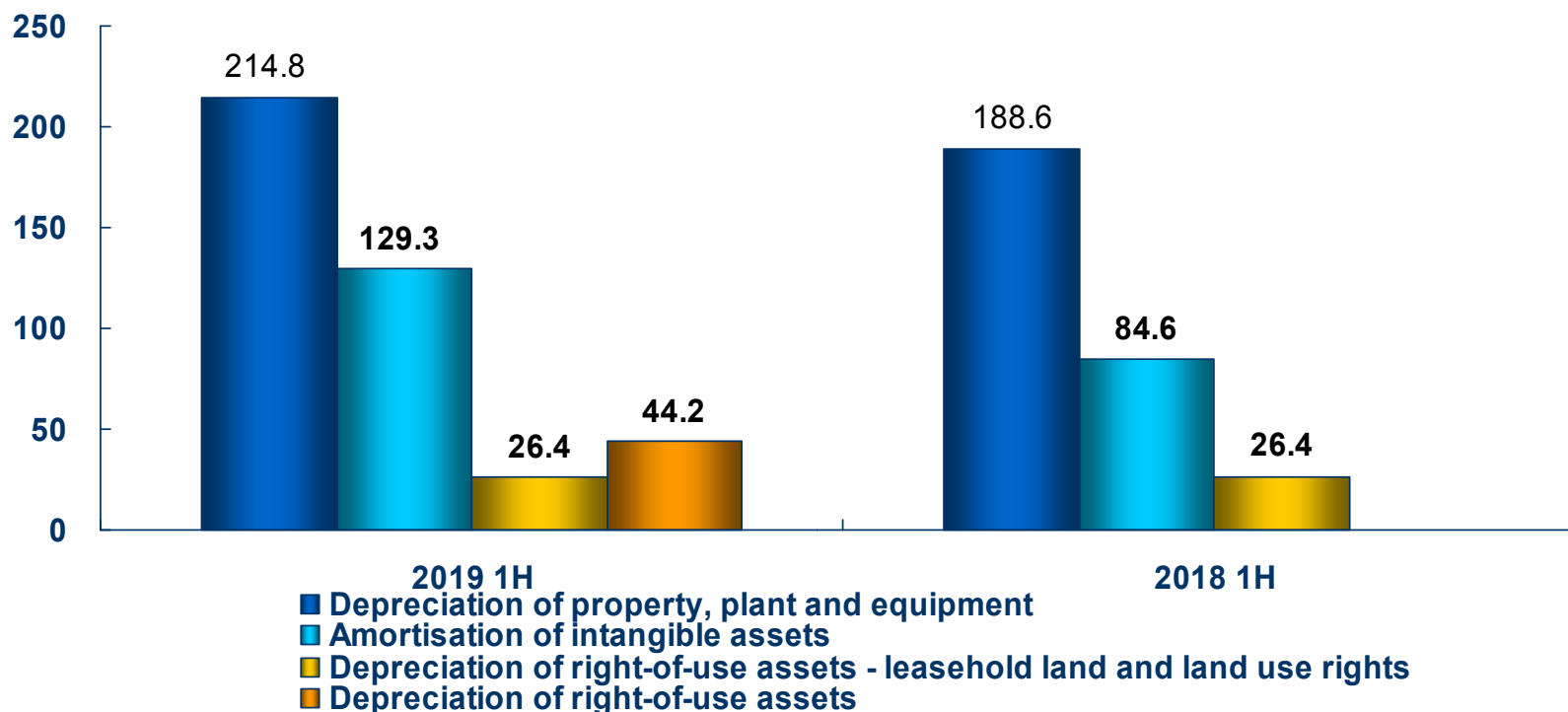- Commission and promotion expenses
- Other operating expenses

- Depreciation and amortisation
- Personnel expenses
- Technical support and maintenance fees
- Cost of software and hardware sold

Depreciation&Amortisation Analysis

（**RMB Million**）

Note : According to the latest IFRS 16 Leases, the original operating lease expenses are now depreciated as a right-of use asset starting from January 1, 2019, as permitted under the specific transitional provisions in the standard, it is not required to restate the comparative figures for last year.

Capital Expenditure

（RMB Million）	Actual		Planned
	2019 1H	**2018 1H**	**2019**
Total Capital Expenditure	**377.4**	**225.0**	**2,356.6**
Construction of new operating centre in Beijing	**206.0**	**59.6**	**662.0**
Update & MA of the System Including New Generation System	**141.5**	**76.4**	**1,398.7**
Others	**29.9**	**89.0**	**295.9**

Note： From 2011 to 2019 1H, the Phase I work of the new operating centre in Beijing has accumulated an expenditure of approximately **RMB2,960 million**, representing **81.0%** of the construction budget plan of the Phase I work.

Prospects for the 2019

◆ **Opportunity**

- Outline of Action for Building Civil Aviation Powerful Country in the New Era was issued
- A new round of scientific and technological revolution and industrial transformation
- New technologies such as digitalization, big data, cloud computing and artificial intelligence are developing rapidly in the global civil aviation industry
- The global civil aviation industry is rapidly entering the era of "intelligent civil aviation"

◆ **Challenge**

- Global economic slowdown, increased instabilities and uncertainties, complex and severe environment
- Downward pressure of the domestic economy has intensified, and the consumption slowed down
- Civil aviation industry has been increasingly concerned about safety, convenience and quality of travel, and its requirements on cost, quality, efficiency, environment and other respects have been continuously improved

Prospects for the 2019

◆ **Adhere to making progress while maintaining stability, clarify the development pattern, focus on strategic priorities, Promote the core capacity and continuously strengthen followings:**

- **Operation and maintenance.** Build a new operation and maintenance system adapted to the current open environment and the development of new technologies in the future by improving the ability of operation and maintenance support.

- **Scientific research.** Enhance the sustainable competitive advantage by enhancing the ability of scientific research and development.

- **Market.** Improve its market competitiveness so as to play a more important role in industry trend research and judgment, industry standard construction, overall product planning and so on.

- **Service.** By improving customer service capabilities, build a service system for meeting market needs and customer needs.

Q&A

Investor Relations

- **Secretariat to the Board of Directors**

- **TravelSky Technology Limited**

- **Tel: (86 10)5765 0696**

- **Fax: (86 10)5765 0695**

- **E-mail: ir@travelsky.com**

- **The compliance website: http://www.travelskyir.com**

  Obtain the financial reports, announcements, circulars, operational data and other materials of the Company

- **Address: A1-805 TravelSky High-Tech Industrial Park, Houshayu Town, Shunyi District, Beijing, PRC**

Umetrip
Your companion in the air

Please scan the QR code,
if you need this document