



TravelSky Technology Limited

Stock Code: 00696.HK

H shares listed on 7 Feb 2001

2018 ANNUAL RESULTS

Mar. 2019



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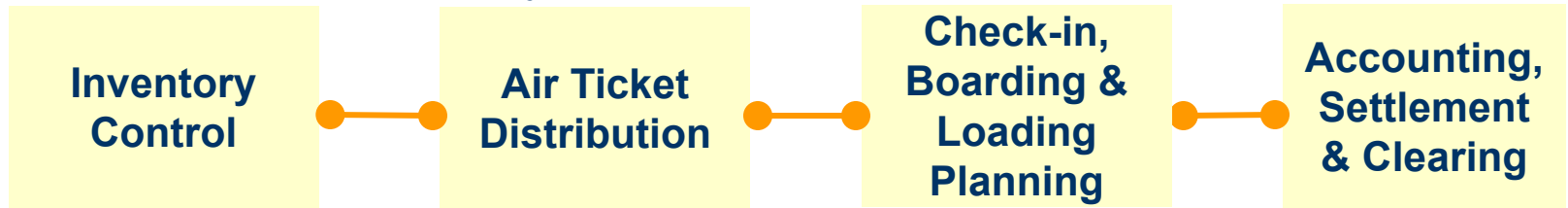
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Company Highlights

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

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



- Services tailored to the needs of extensive clientele



Airlines



Airports



Travel Product Providers



Travel Agencies

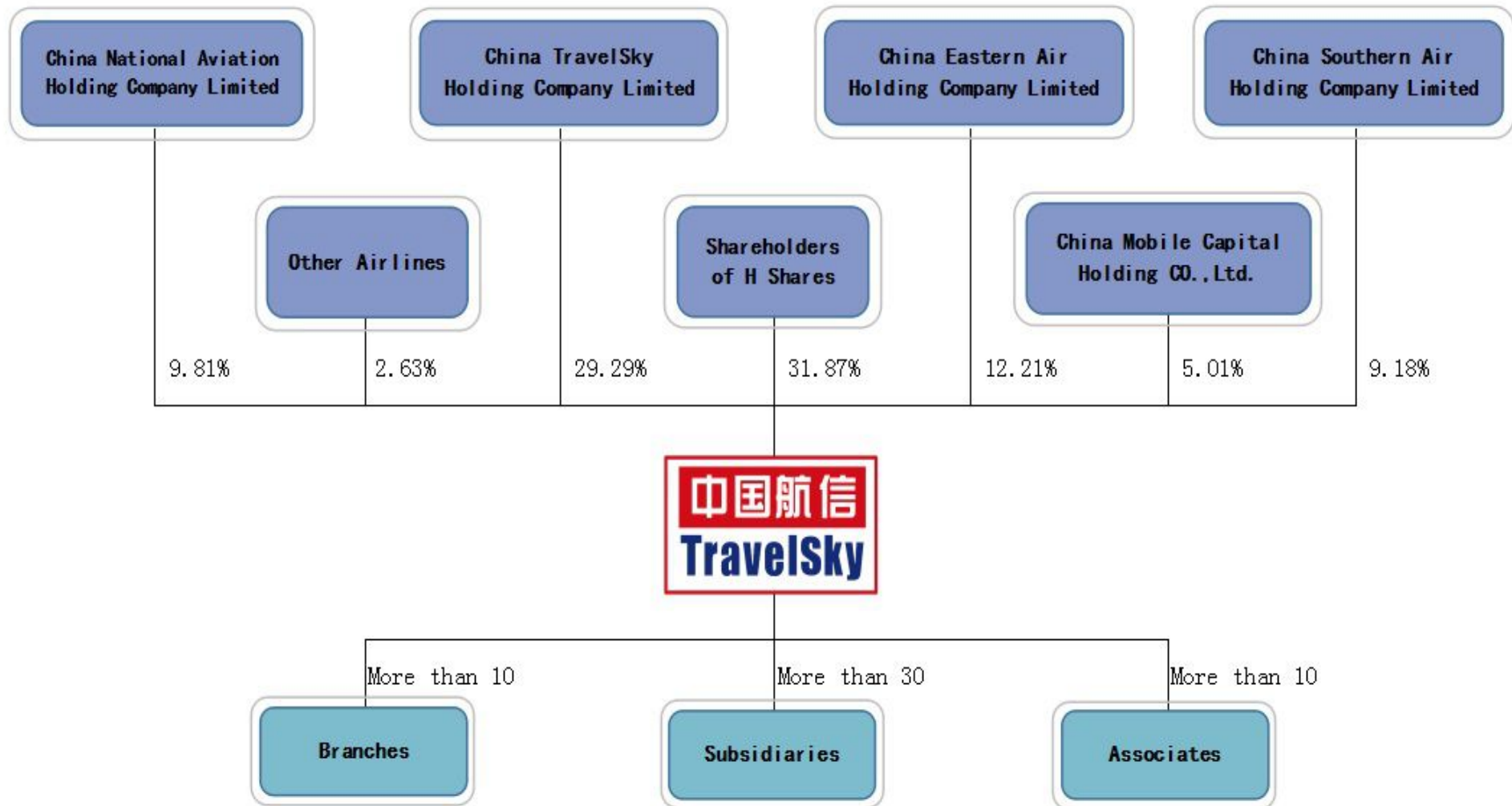


Air Travel Consumers



Cargo Shippers

Shareholders Structure

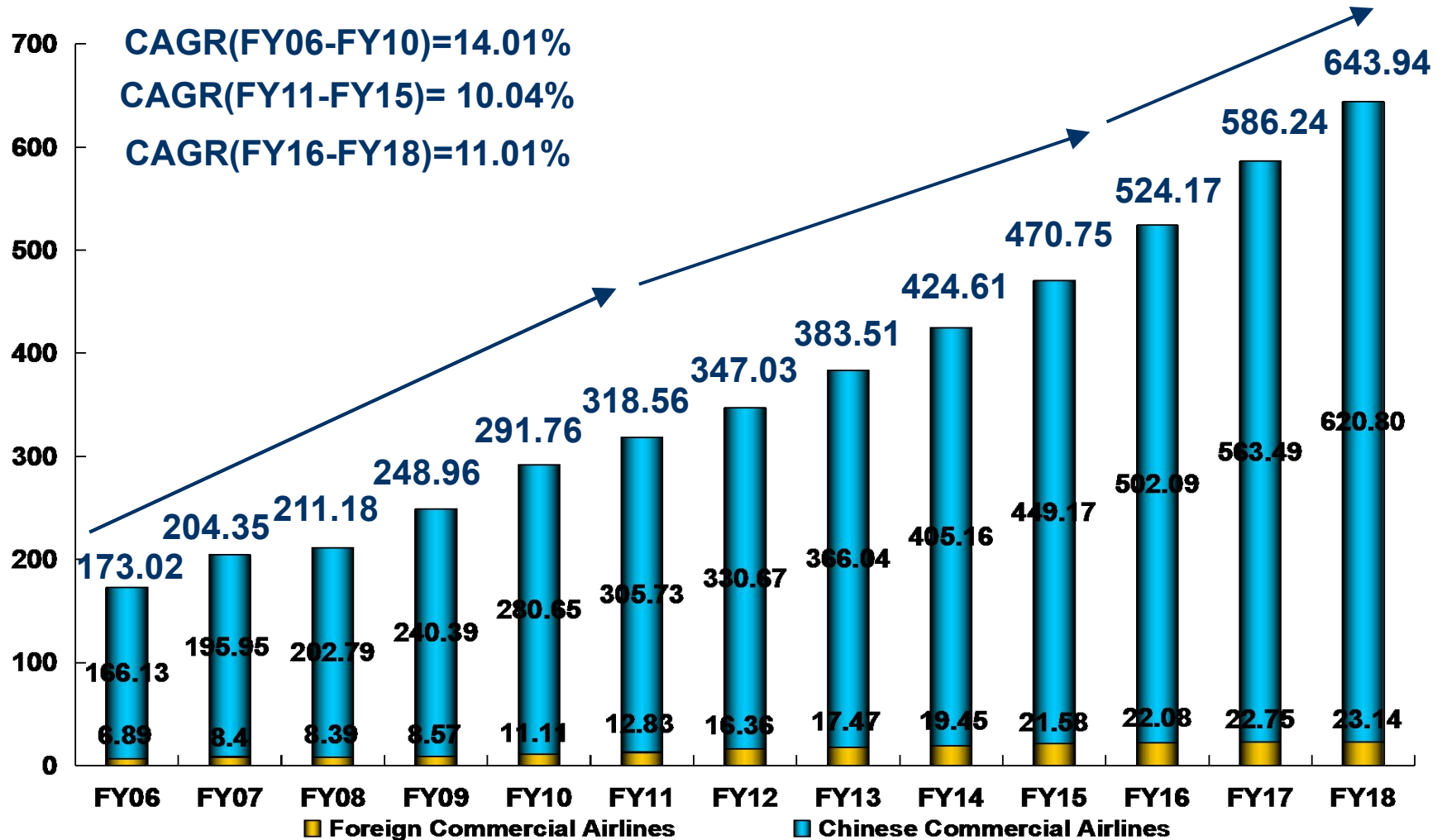


Operating Overview

(Million)	2018	2017	YOY Change
System Processed Volume	643.94	586.24	9.8%
Chinese Commercial Airline	620.80	563.49	10.2%
Foreign Commercial Airline	23.14	22.75	1.7%
BSP Tickets (Processed By ACCA)	395.7	358.8	10.3%
Number of Newly Added Airports involved in System Integration Projects	36	35	—
Annual Number of System Integration Projects Under Implementation	131	122	—

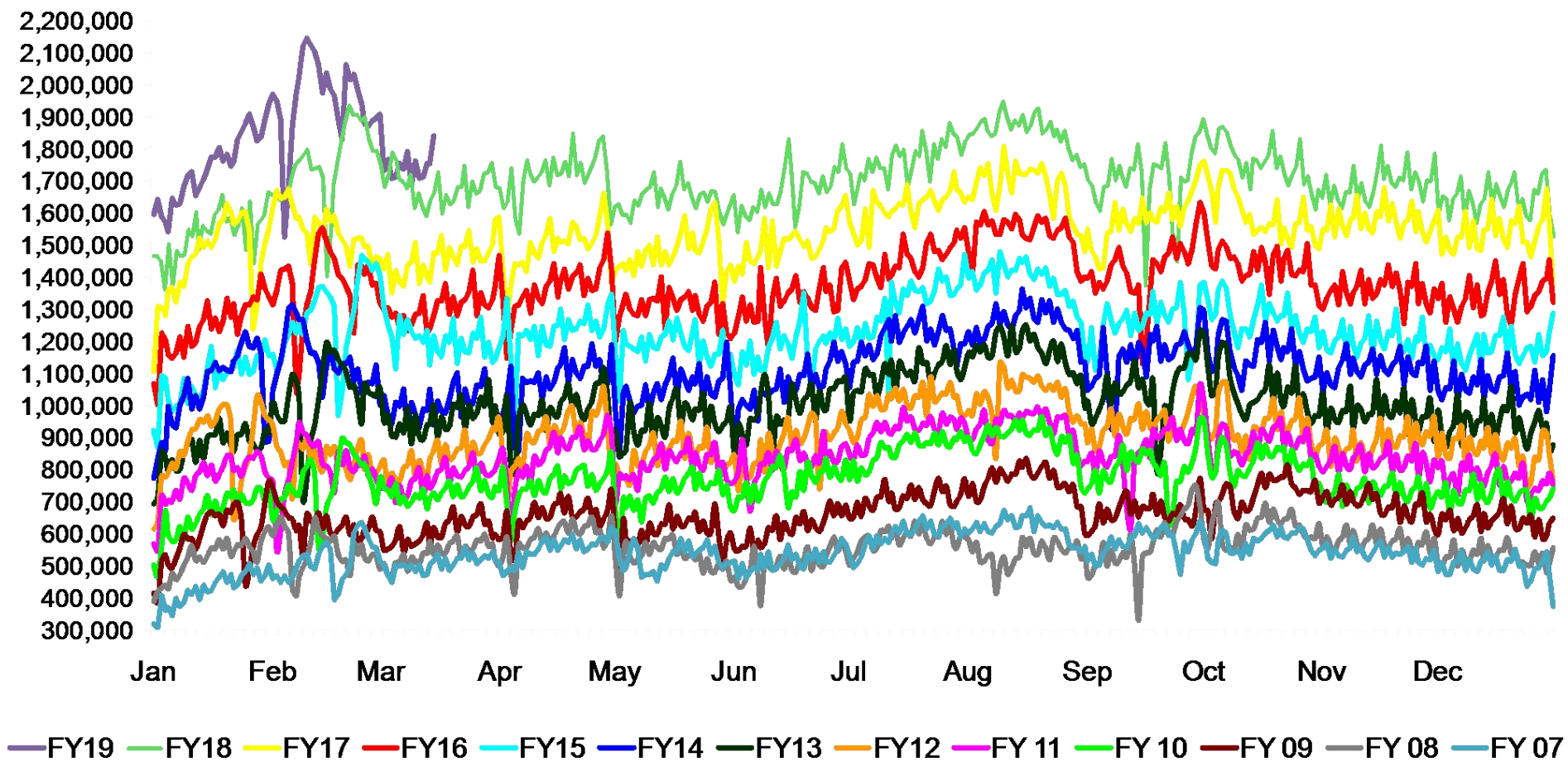
System Processed Volume

Million



Seasonal Fluctuation

Daily System Processed Volume of Chinese Commercial Airlines

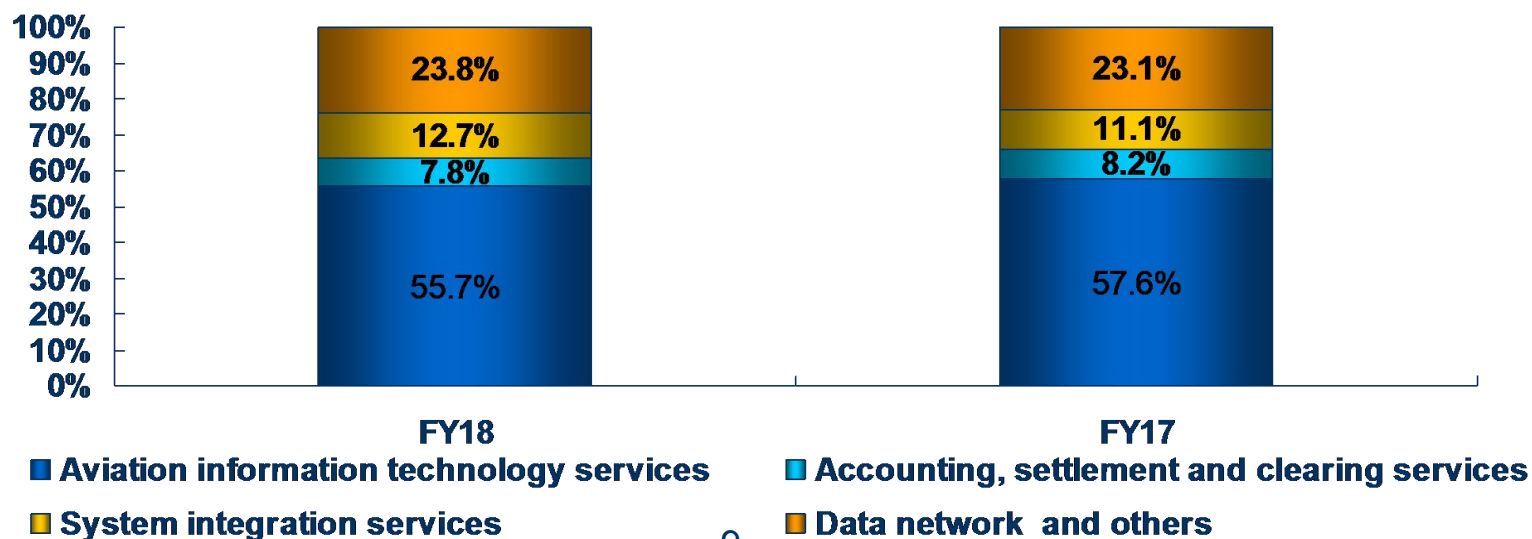


Financial Highlights

	2018	2017	YOY Change
Total Revenues(RMB Million)	7,472.1	6,734.2	11.0%
Operating Profit (RMB Million)	2,319.4	2,473.4	-6.2%
Profit Attributable To Equity Holders (RMB Million)	2,325.1	2,248.7	3.4%
EBITDA (RMB Million)	3,133.5	3,082.2	1.7%
Basic & Diluted Earnings Per Share (RMB)	0.79	0.77	2.6%
Final Cash Dividend Per Share (RMB)	0.269	0.253	6.3%
Operating Margin	31.0%	36.7%	-5.7pts
Gearing Ratio	21.2%	23.0%	-1.8pts

Revenue Analysis

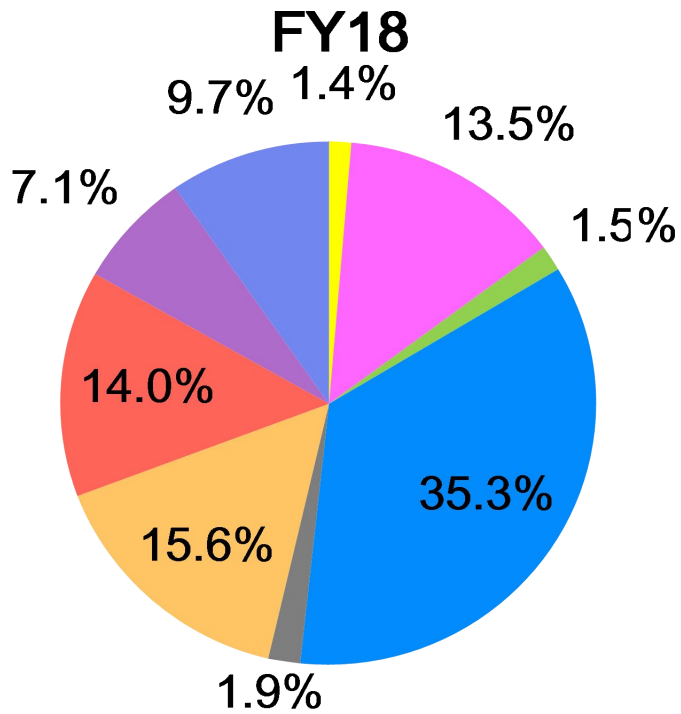
	2018	2017	YOY Change
Total Revenues (RMB Million)	7,472.1	6,734.2	11.0%
Aviation information technology services	4,160.1	3,878.5	7.3%
Accounting, settlement and clearing services	579.4	555.2	4.4%
System integration services	946.9	744.3	27.2%
Data network and others	1,785.7	1,556.2	14.7%



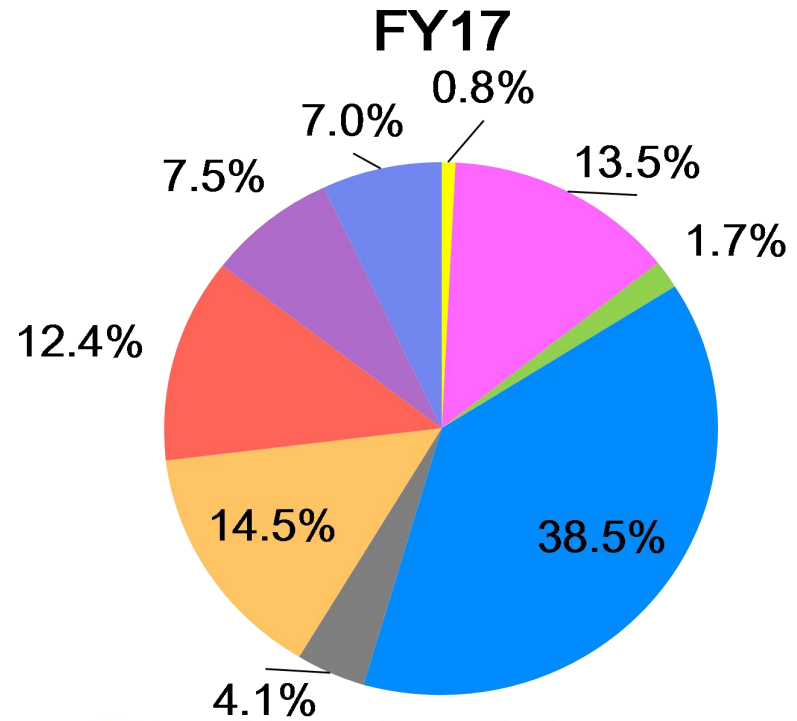
Operating Expense Analysis

	2018	2017	YOY Change
Total operating expenses (RMB Million)	5,152.7	4,260.9	20.9%
Business taxes & other surcharges	70.9	35.8	98.0%
Depreciation & amortization	696.3	577.0	20.7%
Network usage fees	77.1	71.2	8.3%
Personnel expenses	1,818.4	1,640.6	10.8%
Operating lease payments	98.2	174.7	-43.8%
Technical support & maintenance fees	804.7	613.9	31.1%
Commission & promotion expenses	723.2	527.6	37.1%
Cost of software & hardware sold	367.0	319.8	14.8%
Other operating expenses	496.9	300.3	65.5%

Operating Expense Analysis



- 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

Capital Expenditure

	Actual			Planned
	2018	2017	2016	2019
Total Capital Expenditure (RMB Million)	1,096.9	1,319.8	1,160.2	2,356.6
Construction of New Operating Centre in Beijing	72.8	410.7	530.1	662.0
Update & MA of the System Including New Generation System	602.8	62.8	259.3	1,398.7
Others	421.3	846.3	370.8	295.9

Note : From 2011 to 2018, the Phase I work of the new operating centre in Beijing has accumulated an expenditure of approximately **RMB2,750 million**, representing **75.2%** of the construction budget plan of the Phase I work.

Construction of Beijing new operating centre

◆ Proposed construction in phases and investment

- Construction work is divided into two phases
- Investment amount of Phase 1 work : RMB3.655 billion(subject to upward/downward adjustment of not more than 10%).

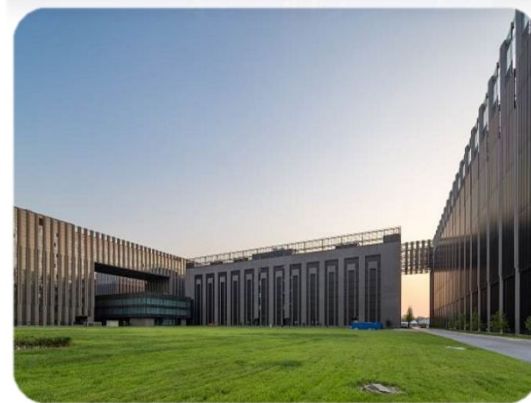
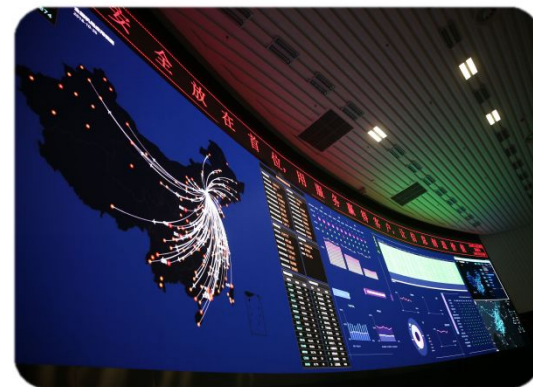
◆ Construction area and purposes

- Total area : 533,000 sq. m., with 376,000sq.m. above ground and 157,000sq.m. underground, including office area, production area, supporting facilities area and multipurpose area comprising 18 buildings in total;
- Phase 1 area: 368,000sq. m., with 244,000sq.m. above ground and 124,000sq.m. underground, including an engine building, a machinery building, a power and energy building, a headquarters office building, research and development centre buildings, settlement centre buildings, an operating centre building, a cultural and sports centre and dormitory buildings comprising 13 buildings in total.

Construction of Beijing new operating centre

◆ Phase 1 work

	Construction	Gross Floor Area
Production Area	Server Building A	Approximately 117,000 sq.m.
	Power Building	
	Operating Centre	
Office Area	Headquarters Building	Approximately 170,000 sq.m.
	Research and Development Centre	
	Settlement Centre	
Ancillary Area	Energy Building	Approximately 81,000 sq.m.
	Cultural and sports Centre	
	Shift Dormitory	



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:
 - Foundation of 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.
 - Source of scientific research and entrepreneurship. Enhance the sustainable competitive advantage by enhancing the ability of scientific research and development.
 - Key market areas for prosperity. 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

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