



### 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 Feb.7,2001 First Level ADR Traded on Dec.27, 2002

### **2019 ANNUAL RESULTS**

Mar.2020



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**Leading Provider of Information Technology Solutions for** China's Aviation and Travel Industry

Established a civil aviation computer I passenger service system and became one of the key projects of the National "Seventh Five-Year" Electronic Revitalization Plan

"China Civil Aviation Computer Center" was renamed "China Civil Aviation Computer Information Center" and changed from public institution to enterprise unit

The company's H shares were successfully listed on the main board of the Hong Kong Stock Exchange.

The company's H shares have been included in the MSCI Emerging Market Index, the Hang Seng Composite Large and Medium-Cap Index, Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

The company is the world's third largest supplier of civil aviation passenger service systems by system throughput.

1979 1984 1996 2000 2001

**2008** 

2015-16 End of 2017 Currently

Civil Aviation Computer Station was established, under the Civil Aviation Administration of China

China Civil Aviation Computer Information Center initiated the establishment of TravelSky Technology Limited, Ltd. by all commercial airlines in the United Nations.

The company acquired the settlement and clearing business.

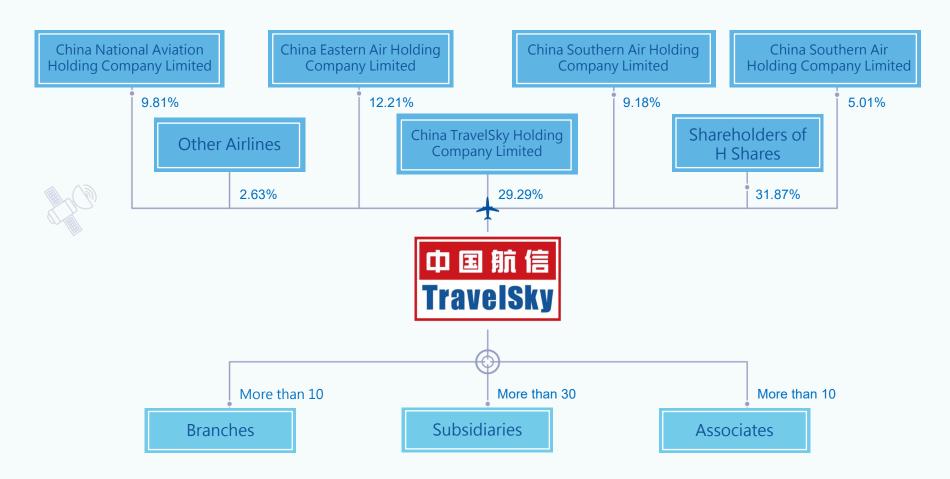
Tarvelsky Beijing High-tech Industrial Park was put into use.



### Shareholders Structure







Note: As of Dec.31, 2019, the company has issued 2,926,209,589 ordinary shares, of which 1,993,647,589 domestic shares and 932,562,000 H shares.







#### **Empowering Aviation Travel I.T. Service Chain Over 40 Years**

X	Flight Info		
Inventory Control	Air Ticket Distribution	Departure Control	Accounting · Settlement & Clearing
- Flight management	- Flight inquiry	- Check-in	- Aviation settlement & clearing
<ul><li> Class management</li><li> E-commerce</li></ul>	<ul><li>Fare calculation</li><li>Booking and ticket</li></ul>	<ul> <li>Flight Loading</li> <li>ing- Passenger service</li> </ul>	- BSP business es - Settlement system services

**68 Host Airlines** 

239 Domestic Airports

44 System Integration Projects on New Airports

Over 8,000 Air Ticket Agents

Over 350 Linked Airlines

100+ Oversea Airports

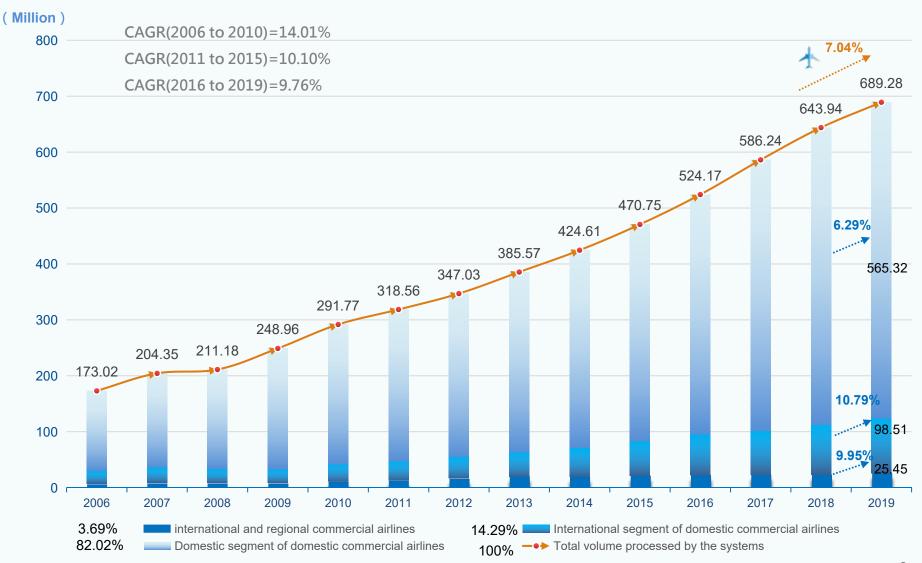
136 System Integration Projects Under Construction

World's Largest BSP Data Processing Center

## Annual System Processed Volume



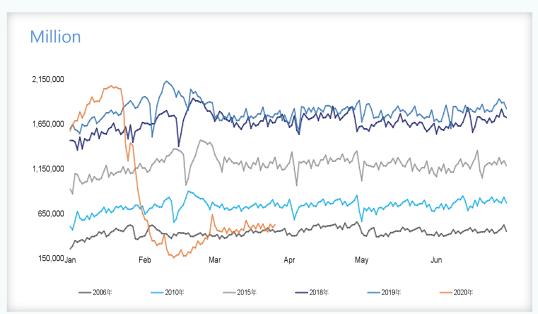


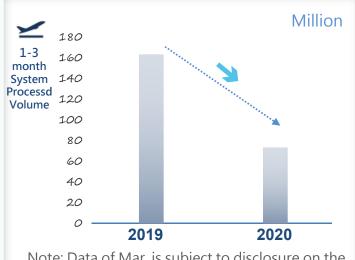


# System Processed Volume in 2020 10



#### **Daily System Processed Volume of Chinese Commercial Airlines**





Note: Data of Mar. is subject to disclosure on the company's website, this data is for reference only

#### **During the Epidemic**

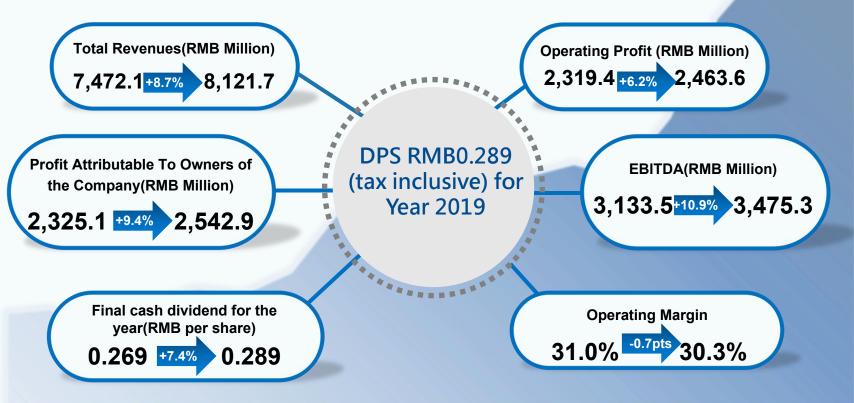
- Thousands of people invested in front-line duty.
- Services for technology and commerce will provide 7\*24-hour real-time response.
- Settlement advances to respond to the peak of refunds and supports civil aviation's free refund policy.
- Big data query supports the joint prevention and control of the epidemic by government departments.
- Speed up the development of civil aviation health declaration and epidemic notification systems on the same journey.
- Optimize the adjustment of key flight information to ensure the emergency supplies of civil aviation.

### Financial Highlights





On the basis of sustainable development, the Company maintained a stable and sustained dividend policy. Generally, the Company distributed annual final dividends in cash once each year, total amount of such cash dividends accounted for approximately 30-40% of the profit after taxation (at lower of PRCGAAP Financial Statements and IAS Financial Statements) of the Company in that year.

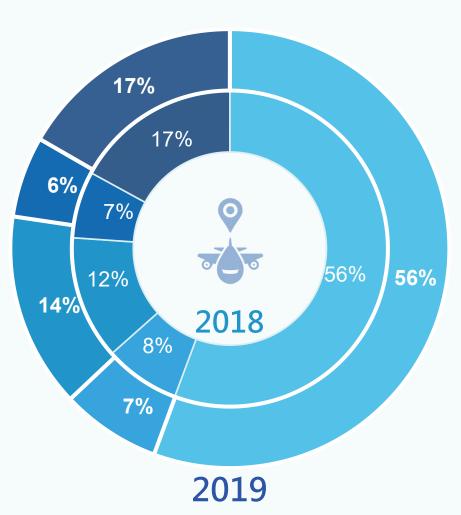


2001 2004 2007 2010 2013 2016 2019







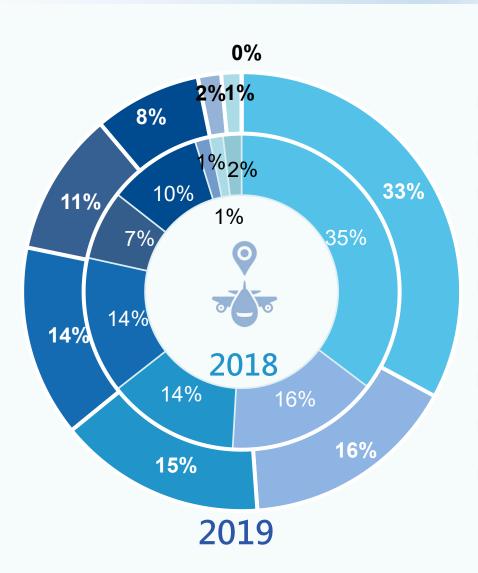


Revenues	2019 ( RMB Million )	2018 ( RMB Million )	YOY Change	
Aviation information technology services	4,517.2	4,160.1	8.6%	7
Accounting, settlement and clearing services	597.0	579.3	3.0%	7
System integration services	1,168.0	946.9	23.3%	7
■Data network	485.1	512.3	-5.3%	7
Other revenues	1,354.4	1,273.4	6.4%	7
Total Revenues	8,121.7	7,472.1	8.7%	7

### Operating Expense Analysis



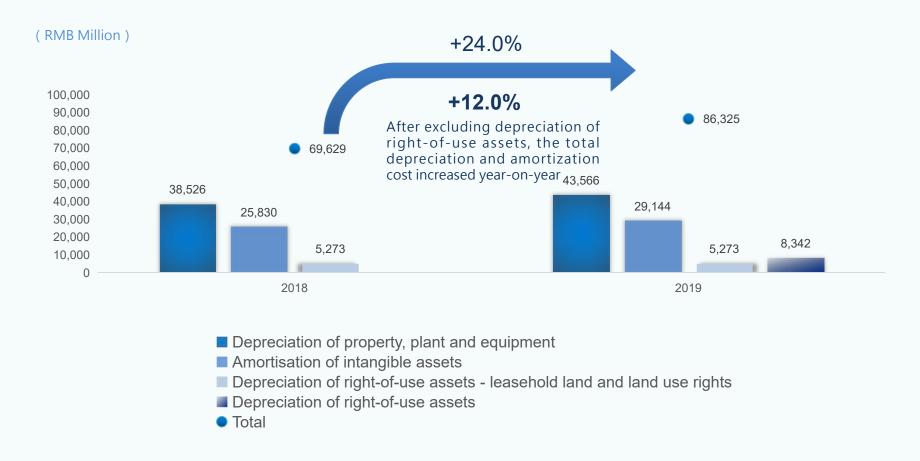




operating expenses	2019 ( RMB Million )	2018 ( RMB Million )	YOY Change
Personnel expenses	1,861.5	1,818.4	2.4%
<ul><li>Technical support &amp; maintenance fees</li></ul>	902.7	804.7	12.2%
Depreciation & amortization	863.3	696.3	24.0%
Commission & promotion expenses	799.4	723.2	10.5%
Cost of software & hardware sold	601.3	367.0	63.8%
<ul><li>Other operating expenses</li></ul>	448.5	496.8	-9.7%
Network usage fees	97.0	77.1	25.8%
Business taxes & oth surcharges	er <sub>84.5</sub>	70.9	19.1%
<ul><li>Operating lease payments</li></ul>	0	98.2	
Total operating expenses	5,658.1	5,152.7	9.8%
11 1 2 2			4.0

## Depreciation & Amortisation Analysis





Note: According to the latest IFRS 16 Leases, the original operating lease expenses are now depreciated as a right-of use asset starting from Jan.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







Update & MA of the System Including New Generation System & Others

For the year ended Dec.31, 2019, the Group did not have any major investment or plan to acquire major capital assets. The Board estimates that the sources of funding of the Group in 2020 will be sufficient for the capital requirement of daily operations and the Group did not have any financing plan.

As at December 31, 2019, the Group's capital expenditure commitment amounted to approximately RMB502.8million, which will be mainly used for the Company's daily operation, maintenance, research and development and upgrading of computer system, and the capital expenditure commitment of the new operating centre in Beijing for the construction of Phase I project amounted to approximately RMB400million. The sources of funding for such commitments will include existing cash on hand and internal cash flow generated from operating activities.

### Prospects for 2020







- The State issued the "Outline of Building a Powerful Country for Transportation".
- The country continues to make efforts in building smart transportation, smart civil aviation, smart airport, etc.
- Focusing on the deployment of cloud computing, big data, artificial intelligence,5G and other new technologies in the field of civil aviation.
- The demand for digital transformation of airlines is urgent, and the investment in airport informatization is increasing year by year.



### Challenge

- The world economic growth slows down, the domestic economic downward pressure increases.
- The spread of new virus epidemic, which drag down the development of the global civil aviation market.
- The risk of opening the domestic distribution market, the construction of new distribution capacity of air companies.
- The products launching by the domestic and foreign competitors'airport.





Focus on strategy, promote development, ensure safety, strengthen technology, optimize management, improve service

Focus on safety, stability

Focus on efficiency and steady growth

Focus on reform and developm ent

Focus on innovation and increase momentum

Focus on managem ent and promotion

Focus on service, image building

managemen t system and passenger information system security for civil aviation 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 mutual benefit and winwin result

promote the reform of mixed ownership, and reform the organization al system

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

improve management level, reform talent system, improve subsidiary management system and strengthen risk management and contro

solve
customer' s
problem,
improve the
service
system,
upgrade
service
capabilities

### Investor Relations





Umetrip Your companion in the air



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#### TravelSky Technology Limited

#### the Board of Directors

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: A TravelSky High-Tech Industrial Park, Houshayu Town, Shunyi District, Beijing, PRC