



TravelSky Technology Limited

Stock Code: 00696.HK

H shares listed on 7 Feb 2001

2016 ANNUAL RESULTS

Mar. 2017



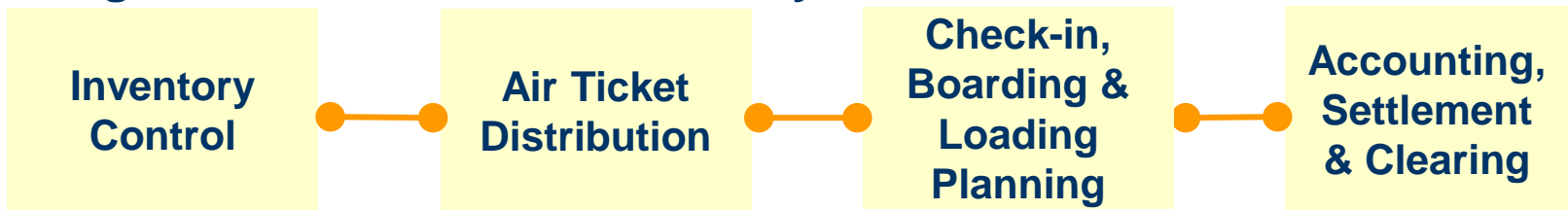
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Company Highlights

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 its extensive clientele



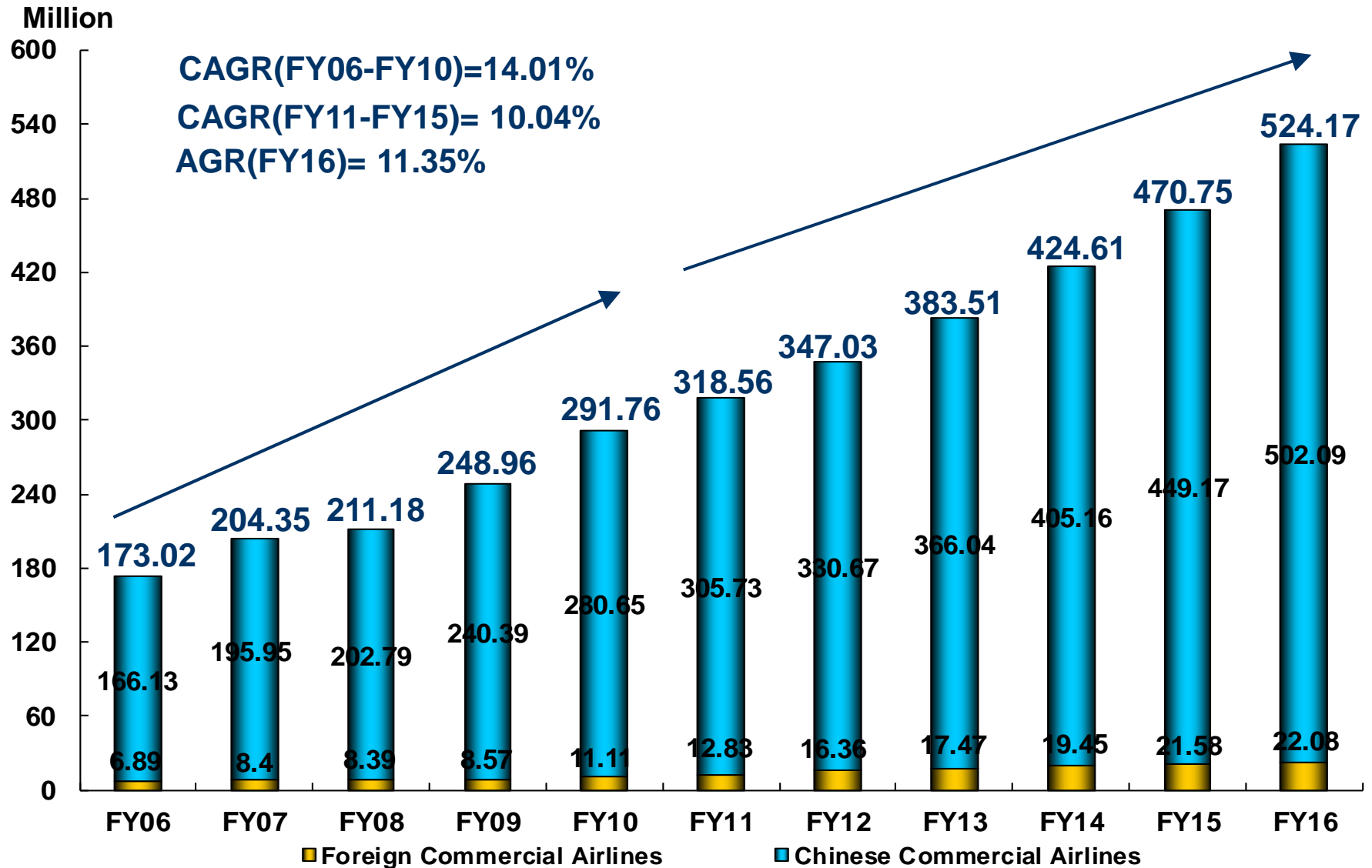
Shareholders Structure



Operating Overview

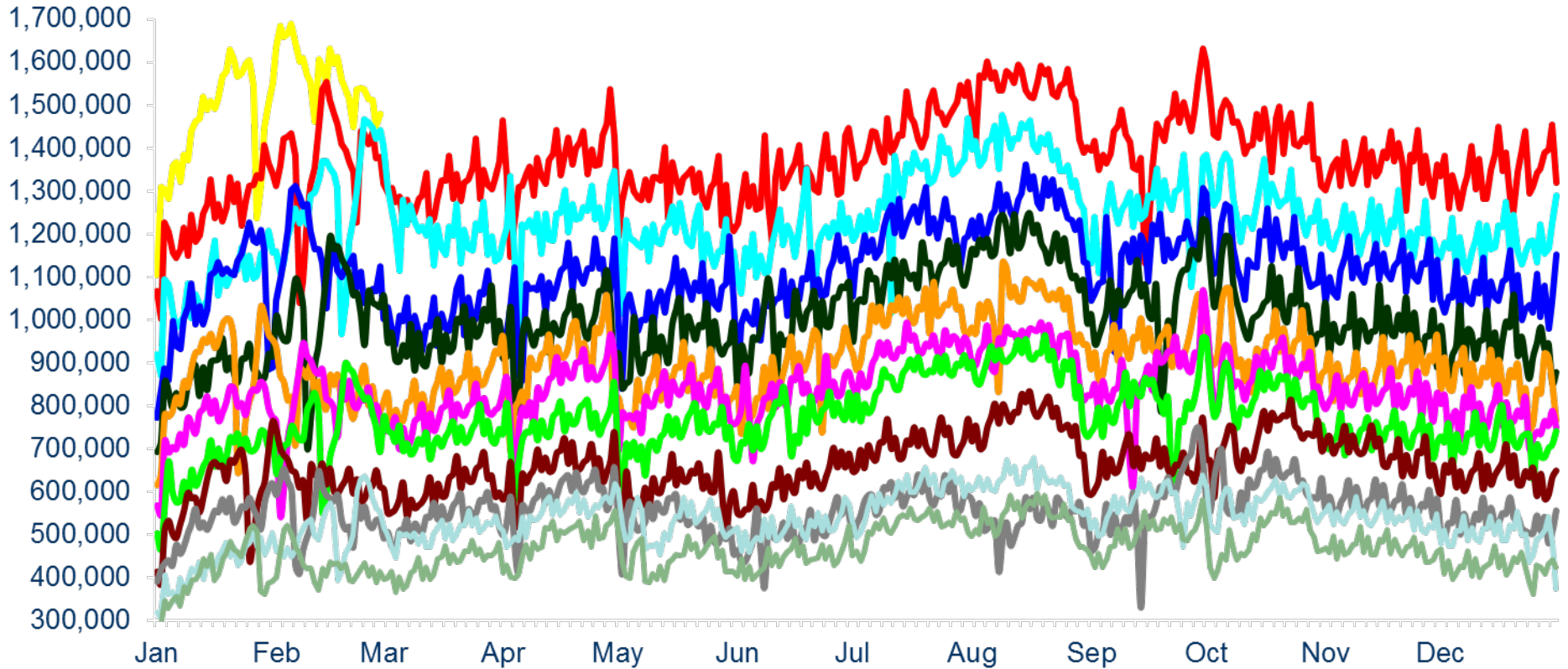
(Million)	2016	2015	YOY Change
System Processed Volume	524.17	470.75	11.4%
Chinese Commercial Airline	502.09	449.17	11.8%
Foreign Commercial Airline	22.08	21.58	2.3%
CUSS, online, mobile & SMS self check-in service processed passenger departures	176.8	123.2	43.5%
BSP Tickets (Processed By ACCA)	303.9	278.6	9.1%
Airway Bills	16.9	16.0	6.1%

System Processed Volume



Seasonal Fluctuation

Daily System Processed Volume of Chinese Commercial Airlines



— FY17 — FY16 — FY15 — FY14 — FY13 — FY12 — FY11 — FY10 — FY09 — FY08 — FY07 — FY06

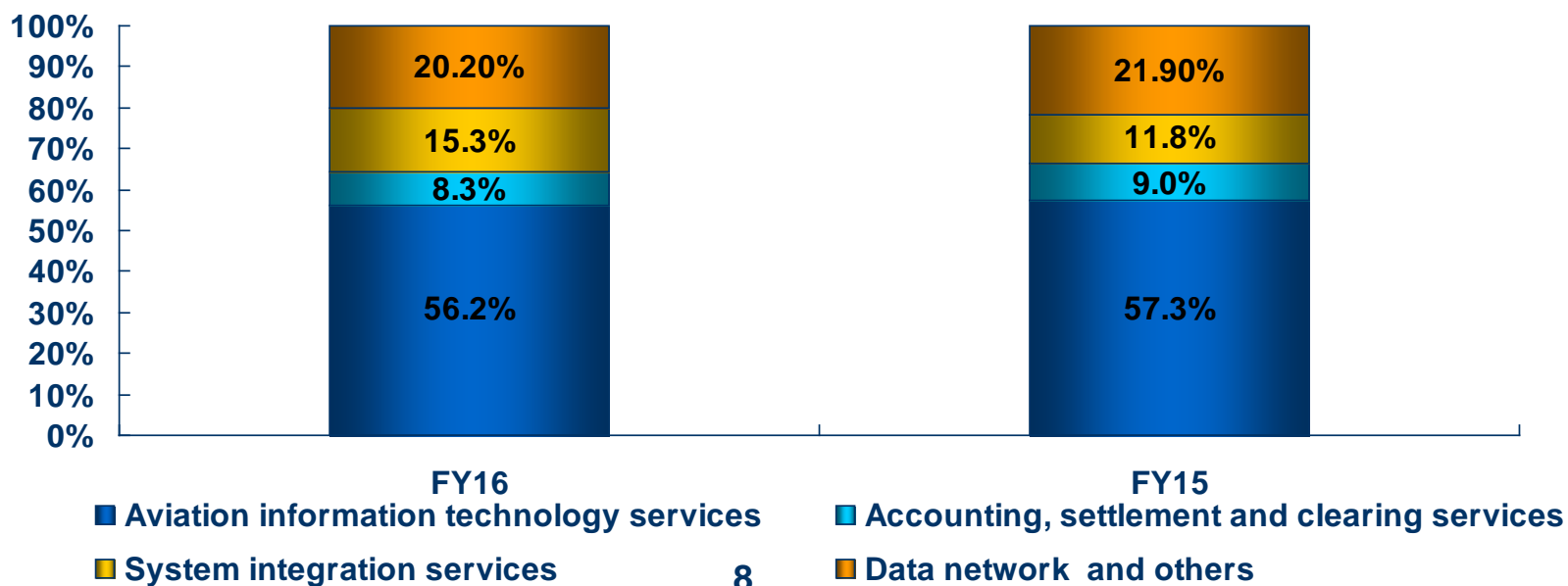
Financial Highlights

	2016	2015	YOY Change
Total Revenues(RMB Million)	6,223.2	5,471.8	13.7%
Operating Profit (RMB Million)	2,177.0	1,747.6	24.6%
Profit Attributable To Equity Holders (RMB Million)	2,421.1	1,914.4	26.5%
Basic & Diluted Earnings Per Share (RMB)	0.83	0.65	27.7%
Final Cash Dividend Per Share (RMB)	0.222	0.166	33.7%
Operating Margin	35.0%	31.9%	3.1pts
Gearing Ratio	21.9%	18.1%	3.8pts

Note: 2015 1H and 2016 1H government grant amounting 410 million and RMB500 million respectively were awarded to the Company by the local government agencies as incentive to encourage and support the Company in its operation of information technology services business in Beijing Shunyi District.

Revenue Analysis

	2016	2015	YOY Change
Total Revenues (RMB Million)	6,223.2	5,471.8	13.7%
Aviation information technology services	3,496.4	3,135.0	11.5%
Accounting, settlement and clearing services	517.7	492.6	5.1%
System integration services	950.3	643.4	47.7%
Data network and others	1,258.8	1,200.8	4.8%

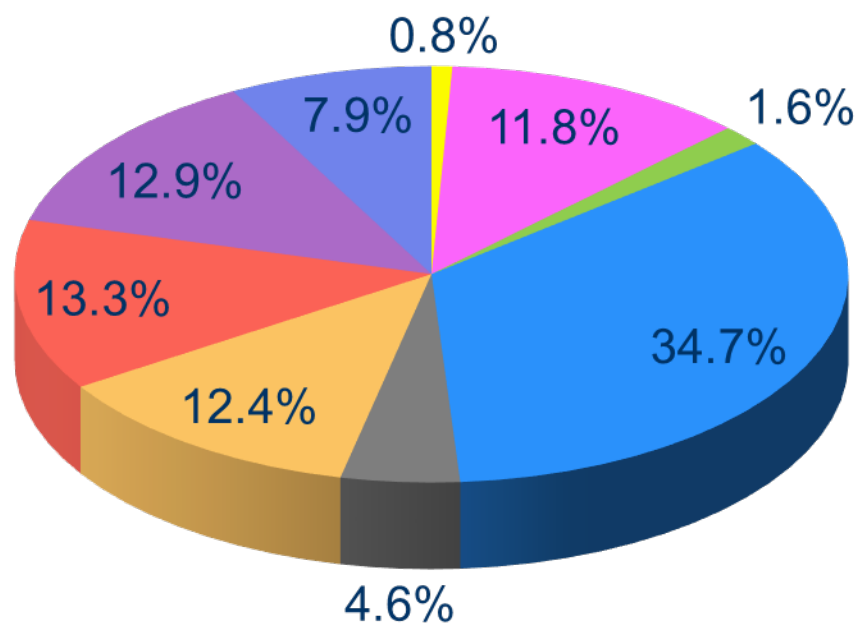


Operating Expense Analysis

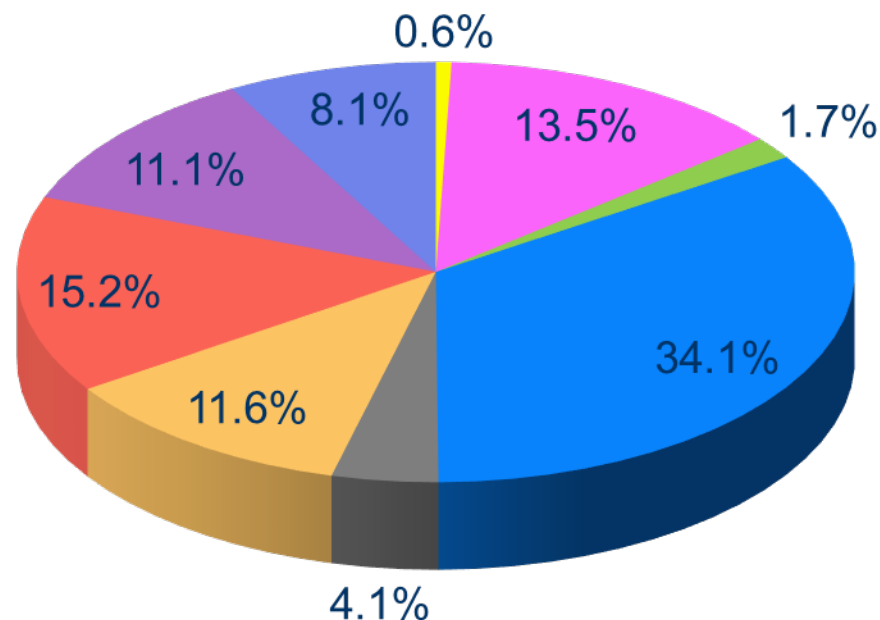
	2016	2015	YOY Change
Total operating expenses (RMB Million)	4,046.3	3,724.2	8.6%
Business taxes & other surcharges	33.0	20.8	58.2%
Depreciation & amortization	479.3	503.7	-4.8%
Network usage fees	65.4	64.5	1.4%
Personnel expenses	1403.9	1,268.2	10.7%
Operating lease payments	184.5	154.3	19.5%
Technical support & maintenance fees	501.5	431.6	16.2%
Commission & promotion expenses	537.7	567.0	-5.2%
Cost of software & hardware sold	521.2	411.6	26.6%
Other operating expenses	319.8	302.5	5.7%

Operating Expense Analysis

FY16



FY15



- 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
	2016	2015	2014	2017
Total Capital Expenditure (RMB Million)	1,160.2	1,046.2	1,152.2	2,205.0
Construction of new operating centre in Beijing	530.1	896.2	476.0	1,136.0
Update & MA of the existing system	189.4	32.9	372.4	220.0
Development of new generation system	69.9	37.8	36.3	160.0
Others	370.8	79.3	267.5	689.0

Note : From 2011 to the end of 2016, the Phase I work of the new operating centre in Beijing has accumulated an expenditure of approximately **RMB2,258 million**, representing **61.8%** 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%).

◆ Proposed 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 progress

	Construction	Gross Floor Area	Estimate Progress Schedule
Production Area	Server Building A	Approximately 117,000 sq.m.	Complete
	Power Building		
	Operating Centre		
Office Area	Headquarters Building	Approximately 170,000 sq.m.	2017
	Research and Development Centre		
	Settlement Centre		
Ancillary Area	Energy Building	Approximately 81,000 sq.m.	2017
	Cultural and sports Centre		
	Shift Dormitory		



Prospects for the 2017

◆ Opportunity

- Remaining solid market base
- Evolving to a country with dominating power in civil aviation
- Standing gradually up to a level close to the major tourism countries worldwide
- The national cyber development strategy, the Internet Plus Action Plan, and the national big data strategy
- Requirements in informatization level and network information security in civil aviation industry

◆ Challenge

- Constantly changing industry landscape
- New technologies, new products, new operating models and new business models have been emerging at an increasingly hectic pace
- Continuously penetrating the domestic market from overseas competitors
- Augmenting concentration in channels
- Needs of commercial airlines for information technology solutions and ever higher standards of service

Prospects for the 2017

- ◆ **Strengthening core businesses, developing new businesses, raising capabilities and strengthening areas of weakness**
 - Laying a solid foundation in safety and security matters by enhancement of corporate mechanisms, enforcement of accountability, inspection of risks, and ensuring that the relocation and operation of the new operating centre in Shunyi, Beijing proceed smoothly, enhancing its support capabilities of operational safety and information security
 - Switching to a growth strategy of raising the quality of development and enhancing its research and development and service capabilities, guided by technological innovation, driven by capital operation and coordinated through resource allocation
 - Speeding up the transformation and upgrade of its businesses by solidifying the advantages of its core businesses, pushing ahead the integration of new businesses and seeking breakthroughs in overseas businesses, in order to enhance the group's competitiveness in the market
 - Improving its fundamental management by further optimizing the organizational structure, refining the incentive and bind mechanism, strengthening the construction of talent team and enhancing the sustainability of the group's internal driving forces

Q&A

Investor Relations

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