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中國民航信息網絡股份有限公司
TravelSky Technology Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00696)

ANNOUNCEMENT OF RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2020

The board of directors (the "**Board**") of TravelSky Technology Limited (the "**Company**") hereby presents the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended June 30, 2020 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2020

	Notes	**Six months ended June 30, 2020** ***RMB'000*** **(unaudited)**	Six months ended June 30, 2019 *RMB'000* (unaudited)
Revenue			
Aviation information technology services		**996,322**	2,223,994
Accounting, settlement and clearing services		**217,756**	302,480
System integration services		**413,581**	478,037
Data network services		**193,094**	243,301
Others		**465,798**	596,457
Total revenue	*3*	**2,286,551**	3,844,269
Operating expenses			
Business taxes and other surcharges		**(33,665)**	(36,967)
Depreciation and amortisation		**(473,299)**	(414,537)
Network usage fees		**(26,475)**	(40,789)
Personnel expenses		**(687,787)**	(746,676)
Technical support and maintenance fees		**(296,977)**	(315,244)
Commission and promotion expenses		**(166,714)**	(380,553)
Costs of software and hardware sold		**(211,795)**	(256,102)
Other operating expenses		**(779,369)**	(100,339)
Total operating expenses		**(2,676,081)**	(2,291,207)

	Notes	**Six months ended June 30, 2020** ***RMB'000*** **(unaudited)**	Six months ended June 30, 2019 *RMB'000* (unaudited)
Operating (loss)/profit		**(389,530)**	1,553,062
Finance income, net		**109,863**	105,793
Government grants		**17,400**	9,739
Share of results of associated companies		**6,978**	20,311
Gain on deemed disposal of a subsidiary		**–**	5,147
(Loss)/profit before taxation	*4*	**(255,289)**	1,694,052
Taxation	*5*	**(51,005)**	(251,501)
(Loss)/profit after taxation		**(306,294)**	1,442,551
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		**2,751**	2,172
Other comprehensive income for the period, net of tax		**2,751**	2,172
Total comprehensive income for the period		**(303,543)**	1,444,723
(Loss)/profit after taxation attributable to			
Owners of the Company		**(323,189)**	1,422,997
Non-controlling interests		**16,895**	19,554
		(306,294)	1,442,551
Total comprehensive income attributable to			
Owners of the Company		**(320,438)**	1,425,169
Non-controlling interests		**16,895**	19,554
		(303,543)	1,444,723
(Losses)/earnings per share for profit attributable to owners of the Company			
Basic and diluted (RMB)	*6*	**(0.11)**	0.49

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2020

	Notes	**June 30, 2020** *RMB'000* **(unaudited)**	December 31, 2019 *RMB'000* (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*9*	**4,557,461**	4,472,546
Investment properties		**114,272**	118,541
Right-of-use assets	*10*	**1,648,242**	1,681,754
Intangible assets		**470,721**	527,459
Goodwill		**153,459**	156,250
Investments in associated companies		**395,166**	388,188
Deferred income tax assets		**211,535**	209,722
Other long-term assets	*11*	**53,076**	53,074
Financial assets at amortised cost	*12*	**521,903**	1,019,420
Financial assets at fair value through other comprehensive income	*13*	**883,750**	883,750
Total non-current assets		**9,009,585**	9,510,704
Current assets			
Inventories		**102,162**	48,232
Trade and bills receivables	*14*	**1,146,624**	1,378,241
Contract assets		**9,234**	9,739
Due from related parties	*15*	**3,647,346**	3,719,963
Due from associated companies		**109,385**	97,783
Income tax recoverable		**20,801**	18,297
Prepayments and other current assets		**633,648**	1,213,297
Financial assets at amortised cost	*12*	**2,114,264**	3,103,337
Financial assets at fair value through profit or loss		**3,853**	–
Cash and cash equivalents		**5,442,627**	4,546,791
Total current assets		**13,229,944**	14,135,680
Total assets		**22,239,529**	23,646,384

	Notes	**June 30, 2020** *RMB'000* **(unaudited)**	December 31, 2019 *RMB'000* (audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital		**2,926,209**	2,926,209
Reserves		**5,423,138**	5,209,049
Retained earnings		**9,261,745**	10,641,947
		17,611,092	18,777,205
Non-controlling interests		**472,857**	456,311
Total equity		**18,083,949**	19,233,516
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**39,262**	39,960
Deferred government grants		**91,886**	91,886
Lease liabilities		**60,799**	80,409
Total non-current liabilities		**191,947**	212,255
Current liabilities			
Trade payables and accrued liabilities	*16*	**2,706,263**	3,499,384
Contract liabilities		**171,942**	178,171
Due to related parties and associated companies		**977,634**	399,455
Lease liabilities		**79,390**	72,448
Income tax payable		**28,404**	51,155
Total current liabilities		**3,963,633**	4,200,613
Total liabilities		**4,155,580**	4,412,868
Total equity and liabilities		**22,239,529**	23,646,384
Net current assets		**9,266,311**	9,935,067
Total assets less current liabilities		**18,275,896**	19,445,771

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2020

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board.

2 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

Except for the application of new or revised accounting standards as described below, the accounting policies and methods of computation used in the reporting of the condensed consolidated interim financial statements for the six months ended June 30, 2020 are the same as those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2019.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, interpretation and amendments to International Financial Reporting Standards ("**IFRSs**") that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 3	Definition of a Business
Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform
Amendments to IFRS 16	Covid-19-Related Rent Concessions
Conceptual Framework for Financial Reporting (Revised)	

The Directors of the Company considered that the adoption of these new or amended IFRSs that are effective from January 1, 2020 did not have any material impact on the Group's accounting policies.

3. SEGMENT REPORTING

(a) Business segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors and general manager of the Company.

The Group conducts its business within one business segment – the business of providing aviation information technology and related services in the People's Republic of China (the "**PRC**"). The Group's chief decision maker for operation is the Group's general manager. The information reviewed by the general manager is identical to the information presented in the condensed consolidated statement of profit or loss and other comprehensive income. Accordingly, no segment analysis information is presented for the period ended June 30, 2020 and 2019.

The Group also operates within one geographical segment because its revenues are primarily generated in the PRC and its assets are in majority located in the PRC. Accordingly, no geographical segment data is presented.

(b) Disaggregation of revenue

In the following table, revenue is disaggregated by timing of recognition and primary geographical market as below:

	Six months ended June 30, 2020 *RMB'000* **(unaudited)**	Six months ended June 30, 2019 *RMB'000* (unaudited)
Timing of revenue recognition		
Transferred over time		
– Aviation information technology services	**996,322**	2,223,994
– Accounting, settlement and clearing services	**217,756**	302,480
– System integration services	**37,453**	32,253
– Data network services	**193,094**	243,301
– Others	**465,798**	596,457
	1,910,423	3,398,485
At a point in time		
– Sale of equipment	**376,128**	445,784
	2,286,551	3,844,269

Primary geographical markets

The Group's operations are mainly located in the PRC.

All of the Group's revenue is mainly generated from related parties and external customers in PRC.

Revenue is disaggregated by major products/services and disclosed in the condensed consolidated statement of profit or loss and other comprehensive income.

4. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting) the following:

	Six months ended June 30, 2020 ***RMB'000*** **(unaudited)**	Six months ended June 30, 2019 *RMB'000* (unaudited)
After charging:		
Depreciation of property, plant and equipment	**252,149**	214,602
Depreciation of investment properties	**4,269**	147
Depreciation of right-of-use assets – lease prepayment for land use rights	**25,223**	26,367
Depreciation of right-of-use assets – properties	**44,815**	44,168
Depreciation of right-of-use assets – equipment	**566**	8
Amortisation of intangible assets	**146,277**	129,245
Gain on disposal of property, plant and equipment	**(84)**	(209)
Provision for/(reversal of) impairment of receivables	**663,333**	(38,382)
Cost of software and hardware sold	**211,795**	256,102
Retirement benefits	**61,542**	100,477
Contribution to housing benefits	**56,867**	52,188
Cash-settled share-based payment	**16,683**	–
Research and development expenses	**268,561**	424,019
Interest expense on lease liabilities	**3,437**	4,054
After crediting:		
Interest income	**(88,575)**	(98,173)
Exchange gain, net	**(24,629)**	(14,144)

5. TAXATION

Taxation of the Group, except for companies not incorporated in the PRC, is provided based on the tax laws and regulations applicable to the PRC enterprises.

The Group provides for the PRC enterprise income tax on the basis of its income for statutory financial reporting purposes, adjusted for income and expense items that are not assessable or deductible for tax purposes. Taxation on overseas profit has been calculated on the assessable profit for the year at the rates of taxation in applicable jurisdictions prevailing in the locations in which the Group operates.

The Company's subsidiaries in the PRC are entitled to different corporate income tax rates, ranging from 15% to 25% under the Corporate Income Tax Law of the People's Republic of China (the "**CIT Law**").

Uncertainty over income tax treatments:

High and New Technology Enterprise

Under the CIT Law, in general, the applicable income tax rate of enterprises in China is 25%. Pursuant to relevant requirements, enterprises recognised as "High and New Technology Enterprises" are entitled to a preferential corporate income tax rate of 15% according to the CIT Law. The Company was approved and certified by relevant authorities as a "High and New Technology Enterprise" since its establishment, and was reviewed to renew the identification of "High and New Technology Enterprise" in accordance with relevant regulatory requirements.

The latest review was conducted in October 2017, pursuant to which the Company was granted the written certification by the relevant tax authorities, maintained its status as the "High and New Technology Enterprise", and was entitled to the preferential corporate income tax rate of 15% from Year 2017 to Year 2019 as a "High and New Technology Enterprise". As of June 30, 2020, the Company is in process of reapplying for its "High and New Technology Enterprises" certification, based on the historical experience and no significant change of the Company's situation, the Company performed an assessment in accordance with relevant regulatory requirements and are of the opinion that the application will be approved and certified by relevant authorities. Thus, the Company has calculated the corporate income tax expense at the preferential tax rate of 15% for the six months ended June 30, 2020.

Important Software Enterprise

In addition to the recognised identification of "High and New Technology Enterprise" and entitlement of a preferential income tax rate of 15%, if an enterprise is approved and certified by relevant regulatory authorities as "Important Software Enterprise" under the National Planning Layout for the year, it can further enjoy a preferential tax rate of 10%. According to the relevant regulations, the difference between the tax amount paid at the rate of 15% and the tax amount calculated at the preferential corporate income tax rate of 10% will be refunded to the relevant enterprises after the relevant period, and will be correspondingly reflected in the profit or loss account of the enterprise when it is refunded.

Application for a preferential tax rate of 10% regarding to the "Important Software Enterprise" for Year 2019 was conducted in Year 2020. Thus, the Company has calculated the corporate income tax expense at the preferential tax rate of 15% for Year 2019. As at June 30, 2020, the Company is in process of applying for a preference tax rate of 10% regarding to the "Important Software Enterprise" to the relevant authority for Year 2019.

The Company will continue to apply for a preferential tax rate of 10% for Year 2020. The amount of tax refund of 5% for the six months ended June 30, 2020 has not been recognised in these condensed consolidated interim financial statements because the Company believes that the application is approved on a year-by-year basis with reference to the evaluation of the completion satisfaction or output for the research effort put by the Group and there are no conclusive evidence that the tax authority will approve such deduction for the six months ended June 30, 2020. Therefore, the Company should accruals the corporate income tax expense at the preferential tax rate of 15% for the period ended June 30, 2020.

6. (LOSSES)/EARNINGS PER SHARE

The calculation of the basic and diluted (losses)/earnings per share attributable to the owners of the Company is based on the following:

	(Unaudited) Six months ended June 30,	
	2020	2019
(Losses)/earnings *(RMB'000)*		
(Losses)/earnings for the purpose of calculating the basic and diluted (losses)/earnings per share	**(323,189)**	1,422,997
Numbers of shares *('000)*		
Weighted average number of ordinary shares in issue	**2,926,209**	2,926,209
(Losses)/earnings per share *(RMB)*		
Basic and diluted	**(0.11)**	0.49

There were no potential dilutive ordinary shares outstanding during the period ended June 30, 2020 and 2019.

7. RESERVES

The appropriation to the discretionary surplus reserve fund for the Year 2019 was approved in the annual general meeting held on June 18, 2020. Therefore, 10% of the Company's net profit of Year 2019 (approximately RMB211.3 million), was transferred to the discretionary surplus reserve fund for the six months ended June 30, 2020.

8. DIVIDEND DISTRIBUTION

The shareholders in the annual general meeting of the Company held on June 18, 2020 approved the distribution of a final cash dividend of RMB0.289 per share, in the aggregate sum of RMB845.7 million for Year 2019. The amount was accounted for in shareholders' equity as an appropriation of retained earnings for the six months ended June 30, 2020.

9. PROPERTY, PLANT AND EQUIPMENT

For the six months ended June 30, 2020, the Group acquired property, plant and equipment amounting to approximately RMB338 million (for the year ended December 31, 2019: approximately RMB591 million) in total.

10. RIGHT-OF-USE ASSETS

The recognised right-of-use assets relate to the following types of assets:

	June 30, 2020 *RMB'000* **(unaudited)**	December 31, 2019 *RMB'000* (audited)
Lease prepayment for land use rights	**1,504,974**	1,530,197
Properties	**142,296**	149,497
Equipment	**972**	2,060
Total	**1,648,242**	1,681,754

11. OTHER LONG-TERM ASSETS

For the six months ended June 30, 2020, other long-term assets for the Group mainly comprised of deposits paid for acquisition of property, plant and equipment and intangible assets.

12. FINANCIAL ASSETS AT AMORTISED COST

	June 30, 2020 *RMB'000* **(unaudited)**	December 31, 2019 *RMB'000* (audited)
Non-current assets		
Financial assets at amortised cost		
Deposits with banks with original maturity date over three months	**502,483**	100,000
Restricted bank deposits	**19,420**	19,420
Certificate of deposits	**–**	900,000
	521,903	1,019,420
Current assets		
Financial assets at amortised cost		
Deposits with banks with original maturity date over three months	**202,211**	580,139
Restricted bank deposits	**12,053**	23,198
Structural deposits	**1,900,000**	1,100,000
Certificate of deposits	**–**	1,400,000
	2,114,264	3,103,337

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2020 *RMB'000* **(unaudited)**	December 31, 2019 *RMB'000* (audited)
Unlisted equity investment	**883,750**	883,750

The unlisted equity investment represents 13.26% equity interest in CMRH Life at a fair value of RMB884 million. The Directors designated the investment as financial asset at fair value through other comprehensive income, since the Group has no intension to hold the investment for trading purpose.

14. TRADE AND BILLS RECEIVABLES

The Group has a policy allowing its customers credit periods normally ranging from 10 to 90 days. The Group does not hold any collateral as security.

Included in trade receivables are trade debtors (net of impairment losses) with the following ageing analysis, based on invoice dates, as of the end of reporting period.

	June 30, 2020 *RMB'000* **(unaudited)**	December 31, 2019 *RMB'000* (audited)
Within 6 months	**523,409**	857,935
Over 6 months but within 1 year	**393,492**	150,789
Over 1 year but within 2 years	**140,054**	207,405
Over 2 year but within 3 years	**77,380**	74,067
Trade receivables	**1,134,335**	1,290,196
Bills receivables	**12,289**	88,045
Total	**1,146,624**	1,378,241

15. DUE FROM RELATED PARTIES

The ageing analysis of the amount due from related parties, based on invoice dates, is as follows:

	June 30, 2020	December 31, 2019
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 6 months	**1,161,597**	1,902,997
Over 6 months but within 1 year	**1,082,096**	771,495
Over 1 year but within 2 years	**1,099,535**	728,092
Over 2 year but within 3 years	**304,118**	14,779
Due from related parties	**3,647,346**	3,417,363
Bills receivables	**–**	302,600
Total	**3,647,346**	3,719,963

These balances with related parties are trade related, interest free, unsecured and generally repayable within six months from invoice date.

16. TRADE PAYABLES AND ACCRUED LIABILITIES

Details of the ageing analysis of trade payables and accrued liabilities, based on invoice dates, is as follows:

	June 30, 2020	December 31, 2019
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 6 months	**445,137**	441,371
Over 6 months but within 1 year	**96,406**	141,590
Over 1 year but within 2 years	**62,505**	74,060
Over 2 year but within 3 years	**35,626**	21,341
Over 3 years	**47,340**	46,602
Total trade payables	**687,014**	724,964
Accrued liabilities and other liabilities	**2,019,249**	2,774,420
Total	**2,706,263**	3,499,384

17. EVENT AFTER THE REPORTING PERIOD

Refund of corporate income tax

As disclosed in the announcement of the Company on July 22, 2020, on the same date, the excess tax amount paid by the Company in the financial year 2019 (being the difference between the tax amount paid at the rate of 15% and the tax amount calculated at the rate of 10% under the Important Software Enterprise (as described in note 5)) has been refunded, as such event is an non-adjusting event, thus the refund has not been recognised in these condensed consolidated interim financial statements

Deemed disposal of a subsidiary

As disclosed in the announcement of the Company on June 12, 2020, on the same date, the Company entered into the capital increase agreement (the "**New Capital Increase Agreement I**") with TravelSky Mobile Technology Limited ("**TravelSky Mobile Tech**"), China Southern Airlines Group Capital Holding Limited ("**Southern Airlines Capital**"), Eastern Airlines Industry Investment Company Limited ("**Eastern Airlines Investment**"), Air Traffic Management Investment Corporation ("**Air Traffic Investment Company**"), and TravelSky Capital Management Limited ("**TravelSky Capital**"), pursuant to which Southern Airlines Capital, Eastern Airlines Investment, Air Traffic Investment Company and TravelSky Capital have agreed to make a capital contribution of RMB241,062,954.75 in total to TravelSky Mobile Tech.

On the same day, the Company entered into the capital increase agreement (the "**New Capital Increase Agreement II**") with TravelSky Mobile Tech and Tianjin Yicheng Technology Partnership (Limited Partnership) ("**Yicheng Technology**"), pursuant to which Yicheng Technology has agreed to make a capital contribution of RMB33,708,636.51 to TravelSky Mobile Tech.

As at June 30, 2020, TravelSky Mobile Tech is a wholly-owned subsidiary and an insignificant subsidiary of the Company. Upon the completion of the Capital Increase, the registered capital of TravelSky Mobile Tech will be increased from RMB60,000,000 to RMB189,813,350 and TravelSky Mobile Tech will be held as to 31.61% by the Company, 8.39% by Yicheng Technology, 12% by Southern Airlines Capital, 12% by Eastern Airlines Investment, 12% by Air Traffic Investment Company and 24% by TravelSky Capital, respectively. TravelSky Mobile Tech will then cease to be a subsidiary of the Company and the financial results of TravelSky Mobile Tech will cease to be consolidated into the consolidated financial statements of the Company.

Up to the date of this interim results announcement, the above mentioned deemed disposal have not been completed.

MANAGEMENT DISCUSSION AND ANALYSIS ON FINANCIAL CONDITIONS AND OPERATIONAL PERFORMANCE

BUSINESS REVIEW FOR THE FIRST HALF OF 2020

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, the Group also faced unprecedented challenges in various businesses. The Group's Electronic Travel Distribution (ETD) system (including Inventory Control System services ("**ICS**") and Computer Reservation System services ("**CRS**")) 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. "Baggage Travel", a full-process baggage tracking platform, 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.

In the first half of 2020, business of accounting, settlement and clearing services of 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 accounting, 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 accounting, settlement and clearing system. The total amount of all kinds of business processed by the Group's accounting, settlement and clearing system exceeded USD3.1 billion, and the transaction amount processed by the electronic payment system was approximately RMB25.5 billion.

In the first half of 2020, 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.

In the first half of 2020, 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", the Group kept abreast of airport construction, and enhanced update and promotion of airport information technology services and products. "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-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.

In the first half of 2020, 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.

FINANCIAL CONDITIONS AND OPERATIONAL PERFORMANCE FOR THE FIRST HALF OF 2020

Summary

The management's discussion and analysis on the financial conditions and operational performance of the Group are as follows:

For the first half of 2020, the Group achieved a profit before tax of RMB-255.3 million, representing a decrease of 115.1% compared to the first half of 2019. Earnings before interest and tax, depreciation and amortization (EBITDA) amounted to RMB132.9 million, representing a decrease of 93.4% compared to the first half of 2019. Profit attributable to equity holders of the Company was RMB-323.2 million, representing a decrease of 122.7% compared to the first half of 2019.

As stated in the announcements of the Company dated March 20, June 29, July 17, July 28, 2020, the significant decrease of the profit of the Group was mainly due to the influence of the Epidemic on the business of the Group. And the significant decline in the number of passenger transportation in civil aviation industry resulted in a sharp drop in the revenue of the Group. Although the Group has strictly controlled the operating expenses, the profit before tax in the first half of 2020 still decreased by 115.1% compared to the first half of 2019.

The revenue and results of the operation of the Group were mainly derived from its operations in the PRC. The losses per share of the Group were RMB0.11 for the first half of 2020.

Total Revenue

The total revenue of the Group in the first half of 2020 amounted to RMB2,286.6 million, representing a decrease of RMB1,557.7 million or 40.5% from RMB3,844.3 million in the first half of 2019. Such decrease in total revenue was mainly attributable to the significant decrease in the business volume of the Group as affected by the Epidemic. The decrease in total revenue is reflected as follows:

- Revenue from aviation information technology services accounted for 43.6% of the Group's total revenue in the first half of 2020, as compared to 57.9% in the first half of 2019. Revenue from aviation information technology services decreased by 55.2% to RMB996.3 million in the first half of 2020 from RMB2,224.0 million in the first half of 2019. The main sources of the revenue were ICS, CRS, APP, as well as other extended information technology services related to the above core businesses provided by the Group to commercial airlines. The decrease in revenue was mainly due to the significant decrease in the number of air travellers as affected by the Epidemic.

- Revenue from accounting, settlement and clearing services accounted for 9.5% of the Group's total revenue in the first half of 2020, as compared to 7.9% for the first half of 2019. Revenue from accounting, settlement and clearing services decreased by 28.0% to RMB217.8 million in the first half of 2020 from RMB302.5 million for the first half of 2019. The main sources of the revenue were accounting, settlement and clearing services provided by the Group to third parties including commercial airlines, airports, agencies and government bodies. The decrease in revenue was mainly due to the significant decrease in the business volume of accounting, settlement and clearing services.

- Revenue from system integration services accounted for 18.1% of the Group's total revenue in the first half of 2020, as compared to 12.4% for the first half of 2019. Revenue from system integration services decreased by 13.5% to RMB413.6 million in the first half of 2020 from RMB478.0 million for the first half of 2019. The main sources of the revenue were the hardware integration, software integration and data and information integration services provided by the Group to airports, commercial airlines and other corporate clients. The decrease in revenue was primarily due to the decrease in the number of contracted projects and the delay of construction period as affected by the Epidemic.

- Revenue from data network accounted for 8.4% of the Group's total revenue in the first half of 2020, as compared to 6.3% for the first half of 2019. Revenue from data network decreased by 20.6% to RMB193.1 million in the first half of 2020 from RMB243.3 million for the first half of 2019. The main sources of the revenue were distribution information technology services provided by the Group to agencies. The decrease in revenue was mainly due to the decrease in the business volume of distribution information technology services.

- Other revenue accounted for 20.4% of the Group's total revenue in the first half of 2020, as compared to 15.5% for the first half of 2019. Other revenue decreased by 21.9% to RMB465.8 million in the first half of 2020 from RMB596.5 million for the first half of 2019. The sources of other revenue were technology services, payment business, room tenancy and other services provided by the Group. The decrease in other revenue was mainly due to the decrease in other technology services and payment business as affected by the Epidemic.

Operating Expenses

Total operating expenses for the first half of 2020 amounted to RMB2,676.1 million, representing an increase of RMB384.9 million or 16.8%, as compared to RMB2,291.2 million for the first half of 2019. The changes in operating expenses are also reflected as follows:

- Commission and promotion expenses decreased by 56.2%, mainly due to the decrease in business promotion of the Group as affected by the Epidemic;

- Selling costs of software and hardware decreased by 17.3%, mainly due to the decrease in the number of contracted projects and the delay of construction period as affected by the Epidemic;

- Staff costs decreased by 7.9%, mainly due to the reduction and exemption of social insurance of the Group;

- Depreciation and amortization increased by 14.2%, mainly due to the increase in fixed assets and intangible assets of the Group, leading to the increase in depreciation and amortization; and

- Other operating expenses increased by approximately 676.7%, among which, the expected credit loss increased by approximately RMB0.7 billion compared with the same period last year, and the remaining expenses decreased by approximately 16.3% compared with the same period last year excluding the above expected credit loss.

Corporate Income Tax

For details of corporate income tax of the Group for the first half of 2020, please see note 5 to the unaudited condensed consolidated financial statements.

As stated in the announcement of the Company dated July 22, 2020, pursuant to the Notice on Issues Concerning Preferential Enterprise Income Tax Policies for Software and Integrated Circuit Industries (Cai Shui [2016] No. 49) (《關於軟件和集成電路產業企業所得稅優惠政策有關問題的通知》(財稅[2016]49號)) issued by the Ministry of Finance, the State Administration of Taxation, the National Development and Reform Commission and the Ministry of Industry and Information Technology of the People's Republic of China on May 4, 2016, the Company had made an application to the relevant authorities for a preferential corporate income tax rate of 10% for the financial year 2019. The excess income tax rate of 5% paid in the year 2019 has been refunded in July 2020 as approved by the relevant tax authorities, which will be reflected in the consolidated financial statements of the Company for the year 2020.

Profit Attributable to Equity Holders of the Company

As a result of the above factors, the profit attributable to equity holders of the Group decreased by RMB1,746.2 million or 122.7% to RMB-323.2 million in the first half of 2020 from RMB1,423.0 million in the first half of 2019.

Liquidity and Capital Structure

The Group's working capital for the first half of 2020 mainly came from investing activities. Net cash inflow from investing activities amounted to RMB1,146.4 million.

As at June 30, 2020, the Group did not have any short-term or long-term bank loans, nor used any financial instruments for hedging purposes.

As at June 30, 2020, cash and cash equivalents of the Group amounted to RMB5,442.6 million, of which 93.6%, 5.0% and 0.6% were denominated in Renminbi, US dollar and Euro, respectively.

Restricted Bank Deposits

As at June 30, 2020, restricted bank deposits in the amount of RMB31.5 million (December 31, 2019: RMB42.6 million) mainly refer to the deposits placed at designated bank accounts as guarantee deposits to secure, amongst others, procurement and installation work in relation to departure system of airports.

Trust Deposits and Irrecoverable Overdue Time Deposits

As at June 30, 2020, the Group did not have any trust deposits and irrecoverable overdue time deposits. All cash deposits held by the Group are deposited with commercial banks and in accordance with applicable laws and regulations.

Foreign Exchange Risks

The Group's foreign exchange risks arise from commercial transactions and assets and liabilities denominated in foreign currency. Fluctuation of the exchange rates of Renminbi against foreign currencies could affect the Group's results of operations.

Financial Assets Invested

With regard to capital management, based on the principles of prudence and soundness, the Group generally chooses principal-protected wealth management products with interest rates higher than those of bank deposit for the same period, so that the Group can maximize its capital gains.

In the first half of 2020, the Group had the following financial assets:

(1) Financial Assets at Amortised Cost

As at June 30, 2020, the Group held structural deposits issued by Bank of Beijing, China Construction Bank and China Minsheng Bank of RMB0.1 billion, RMB0.9 billion and RMB0.9 billion, with total structural deposits of RMB1.9 billion. The annual interest rate of such structural deposits varied from 3.3% to 3.6%. Such structural deposits have a maturity period ranging from 185 to 397 days and are non-cancellable before maturity.

(2) Financial Assets at Fair Value through Other Comprehensive Income

Name of investment	Business nature	Percentage of shareholding as at June 30, 2020	Percentage of shareholding as at December 31, 2019	Fair value as at June 30, 2020	Fair value as at December 31, 2019	Gain as of June 30, 2020	Gain as of December 31, 2019
		%	*%*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity (measured at fair value) – CMRH Life	Life insurance	13.26	17.5	883,750	883,750	–	8,750

The performance and prospects of the financial assets "CMRH Life" during the period were as follows:

a. Name of the company: China Merchants RenHe Life Insurance Company Limited ("**CMRH Life**")

b. Business scope: general insurance (including life insurance and annuity insurance), health insurance, accident injury insurance, bonus insurance, omnipotent insurance, reinsurance of all of the above insurance businesses, the application of the insurance funds allowed by the state laws and regulations, and other businesses approved by the China Banking and Insurance Regulatory Commission.

c. Investment cost of the Company: RMB875 million.

d. The percentage of the shareholding held by the Company: 13.26%.

Note: As stated in the announcement of the Company dated October 17, 2019, the Company decided not to participate in the capital increase of CMRH Life. The capital increase have been approved and agreed by the China Banking and Insurance Regulatory Commission and relevant industrial and commercial registration procedures of changes were completed on April 16, 2020. The shareholding of the Company in CMRH Life was diluted from 17.5% to 13.26%.

e. The fair value and the scale relative to the total assets of the Group:

As at June 30, 2020, the Group invested a fair value of approximately RMB884 million in CMRH Life, accounting for 4.0% of the total assets of the Group.

f. The performance in the first half of 2020:

According to the information provided by CMRH Life to the Company, it recorded a loss of RMB100.0 million in the first half of 2020, mainly because up-front costs are required for branch establishment and channel expansion and other aspects during the period of rapid business expansion for insurance company. Therefore, loss incurred by CMRH Life in the early stage of the development of business is in compliance with general operating rules in life insurance industry.

g. Strategies of future investments and the prospects of such investments:

According to the information provided by CMRH Life to the Company, the insurance penetration and insurance density in the PRC life insurance industry remain relatively low when compared with that in overseas developed countries and regions. With GDP per capita exceeded US$10,000, there is great potential in the PRC life insurance market. CMRH Life will continue to further synergize resources from shareholders, explore innovation and cooperation in medical and endowment, big data and Internet, and continue to drive the expansion of scale and rising of value under the operating guidance of "value leading, innovation driving, technology enabling, risk control assurance".

(3) Financial asset at fair value through profit or loss

China Mobile Equity Fund

As stated in the announcement of the Company dated April 16, 2020, the Company entered into the limited partnership agreement (the "**Agreement**") in relation to the formation of China Mobile Equity Fund (Hebei Xiongan) Partnership (Limited Partnership)* (中移股權基金(河北雄安)合夥企業(有限合夥)) (the "**China Mobile Equity Fund**") with China Mobile Capital Holding Co., Ltd.* (中移資本控股有限責任公司), other investors (together with the Company and China Mobile Capital Holding Co., Ltd., as the limited partners) and China Mobile Fund Co., Ltd.* (中移股權基金管理有限公司) (as the general partner), pursuant to which, the Company agreed to contribute RMB1 billion in cash to the China Mobile Equity Fund during the term of the Agreement. The China Mobile Equity Fund will mainly invest in 5th-generation and information communication industry chain, ecosystem and the empowerment industry.

As of June 30, 2020, the Company has actually contributed (including the fund management fee) RMB3.9 million pursuant to the Agreement.

Disposal of 68.39% Equity Interests in TravelSky Mobile Tech

As stated in the announcements of the Company dated May 27, 2020 and June 12, 2020, on June 12, 2020, the Company entered into the new capital increase agreement I with TravelSky Mobile Technology Limited* (中航信移動科技有限公司) ("**TravelSky Mobile Tech**"), China Southern Airlines Group Capital Holding Limited (中國南航集團資本控股有限公司) ("**Southern Airlines Capital**"), Eastern Airlines Industry Investment Company Limited* (東方航空產業投資有限公司) ("**Eastern Airlines Investment**"), Air Traffic Management Investment Corporation* (民航空管投資管理有限公司) ("**Air Traffic Investment Company**") and TravelSky Capital Management Limited* (中航信啟航資本管理有限公司) ("**TravelSky Capital**") to replace the original capital increase agreement I entered into by the Company and relevant investors on May 27, 2020, pursuant to which Southern Airlines Capital, Eastern Airlines Investment, Air Traffic Investment Company and TravelSky Capital have agreed to make a capital contribution of RMB241,062,954.75 in total to TravelSky Mobile Tech. On the same day, the Company entered into the new capital increase agreement II with TravelSky Mobile Tech and Tianjin Yicheng Technology Partnership (Limited Partnership)* (天津易程科技合夥企業(有限合夥)) ("**Yicheng Technology**"), pursuant to which Yicheng Technology has agreed to make a capital contribution of RMB33,708,636.51 to TravelSky Mobile Tech, and the original capital increase agreement II entered into by the Company, TravelSky Mobile Tech and Yicheng Technology on May 27, 2020 has been terminated.

Before the completion of the capital increase, TravelSky Mobile Tech is a wholly-owned subsidiary of the Company. Immediately after the completion of the capital increase, TravelSky Mobile Tech will be held as to 31.61% by the Company, 8.39% by Yicheng Technology, 12% by Southern Airlines Capital, 12% by Eastern Airlines Investment, 12% by Air Traffic Investment Company and 24% by TravelSky Capital, respectively. It is expected that TravelSky Mobile Tech will cease to be a subsidiary of the Company and the financial results of TravelSky Mobile Tech will cease to be consolidated into the consolidated financial statements of the Company. Upon the completion of the capital increase, the registered capital of TravelSky Mobile Tech will be increased from RMB60,000,000 to RMB189,813,350 and the balance of the capital increase amounts of RMB144,958,241.26 will be contributed to the capital reserve of TravelSky Mobile Tech. Both of the above new capital increase agreements have taken effect after the new capital increase agreement I was approved by the State-owned Assets Supervision and Administration Commission of the State Council on June 29, 2020. As at the date of the announcement, the above investors have paid relevant capital contribution amount (including that Yicheng Technology has paid its capital contribution in the first instalment) and the relevant industrial and commercial registration procedures of changes in relation to the above capital increase are in progress.

Charge on Assets

As at June 30, 2020, the Group had no charge on its assets.

Contingent Liabilities

As at June 30, 2020, the Group had no material contingent liabilities.

Gearing Ratio

As at June 30, 2020, the gearing ratio of the Group was 18.7% (as at December 31, 2019: 18.7%), which was computed by dividing the total liabilities by the total assets of the Group as at June 30, 2020.

Major Investment or Financing Plan

As of June 30, 2020, 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.

The total capital expenditure of the Group amounted to RMB429.0 million for the first half of 2020 (first half of 2019: RMB377.4 million), among which the capital expenditure of the new operating centre in Beijing for Phase I project amounted to approximately RMB292.7 million. Other was mainly used in the Company's daily operation.

As at June 30, 2020, the Group's capital expenditure commitment amounted to approximately RMB1,220.8 million, which will be mainly used for the Company's daily operation, maintenance, research and development and upgrading of computer system, China Mobile Equity Fund (an unlisted investment fund), and the capital expenditure commitment of the new operating centre in Beijing for the construction of Phase I project amounted to approximately RMB129.0 million. The sources of funding for such commitments will include existing cash on hand and internal cash flows generated from operating activities.

Employees

The Group has different rates of remuneration for different employees (including executive directors and staff supervisors), according to their performance, experience, position and other factors in compliance with the relevant PRC laws and regulations, as amended from time to time. The remuneration of the employees of the Group includes salaries, bonuses and fringe benefits provided in compliance with relevant regulations of the PRC, as amended from time to time, such as medical insurance, pension, unemployment insurance, maternity insurance and housing funds. The Group also provides its employees with opportunities to acquire skills in areas such as the aviation and travel industry, computer information technology and business administration, and provides training on the latest development in areas such as computer information technology, personal qualities, laws, regulations and economics. In 2007, the Group implemented a corporate annuity scheme (or supplementary pension plan) in accordance with relevant policies of the PRC. According to the corporate annuity scheme, the Group is required to make provision for monthly corporate annuity fees with reference to the total actual salary each month in the previous year and the ratio approved by the relevant authorities of the PRC. It also needs to deposit the annuities in the custody account of corporate annuity fund opened by its custodian.

Staff costs of the Group amounted to approximately RMB687.8 million for the first half of 2020, representing approximately 25.7% of the total operating expenses of the Group for the first half of 2020.

As at June 30, 2020, the total number of employees of the Group was 7,233.

Adoption of Phase II H Share Appreciation Rights Scheme

As disclosed in the announcement of the Company dated November 26, 2019 in relation to the proposed adoption of Phase II H share appreciation rights scheme (the "**Appreciation Rights Scheme**") and the relevant initial grant proposal (the "**Initial Grant Proposal**"), the circular of the Company dated December 2, 2019 in relation to the proposed adoption of Appreciation Rights Scheme, the voluntary announcement of the Company dated January 3, 2020 in relation to the approval of the Appreciation Rights Scheme by the State-owned Assets Supervision and Administration Commission of the State Council and the announcement of the Company dated January 16, 2020 in relation to the poll results of the resolution passed at the extraordinary general meeting, the Appreciation Rights Scheme has been approved by the extraordinary general meeting convened by the Company on January 16, 2020 and taken effect on the same date.

As disclosed in the announcement of the Company dated January 16, 2020 in relation to the grant of the H share appreciation rights, the Initial Grant Proposal has taken effect on January 16, 2020 (the "**Initial Grant Date**"). On the Initial Grant Date, the Company granted 35,958,950 H share appreciation rights to 502 incentive recipients in total (including the key personnel having direct impacts on the operating results and sustainable development of the Company, which includes three members of senior management of the Company, excluding any current director, supervisor and general manager of the Company as at the Initial Grant Date) and the corresponding number of H shares would amount to approximately 1.23% of the total issued share capital of the Company as at the Initial Grant Date. The number of share appreciation rights per capita to be granted to incentive recipients will be divided into five levels. Incentive recipients do not actually hold shares, nor do they have the right as the shareholders. Incentive recipients shall not deal with the share appreciation rights granted under the Initial Grant Proposal without permissions. The share appreciation rights under the initial grant shall take effect in three equal instalments. When each batch of share appreciation rights become effective, the performance indicators of the Company for last financial year shall meet the performance target set by the Board which should be higher than performance indicators under initial grant and incentive recipients shall achieve their respective performance appraisal indicators, if not, the relevant share appreciation rights will not be effective or will be invalid. The details will be verified by the Board in accordance with the relevant rules of the Appreciation Rights Scheme and the Initial Grant Proposal.

Since the Appreciation Rights Scheme and the Initial Grant Proposal would not involve the grant of options in respect of new shares or other new securities in the Company or any of its subsidiaries, the Appreciation Rights Scheme and the Initial Grant Proposal are not subject to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

In the first half of 2020, the relevant fee of aforesaid Appreciation Rights Scheme was approximately RMB16.7 million, which has been reflected in the financial statements of the Company.

PROSPECTS FOR THE SECOND HALF OF 2020

In 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.

INTERIM DIVIDEND

The Board recommends the Company not to pay an interim dividend for the first half of 2020.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

In the first half of 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities.

CORPORATE GOVERNANCE

The Company is committed to establishing and maintaining high level of corporate governance, as well as disclosing information to all the market participants and regulatory authorities in a timely, accurate, complete and reliable manner to enhance the transparency of the Company. The Company has adopted the code provisions as stipulated in the "Corporate Governance Code" and "Corporate Governance Report" (the "**Code Provisions**") in Appendix 14 to the Listing Rules as the Company's code of corporate governance. The Company has fully complied with the Code Provisions in the first half of 2020.

For the six months ended June 30, 2020, the Company has adopted Model Code and standards required thereof as the model code and the standards for conducting securities transactions by directors and supervisors of the Company. After making specific enquiries to all directors and supervisors, the Company confirmed that all directors and supervisors have acted in full compliance with Model Code and the requirements regarding directors' securities transactions required thereof during the six months ended June 30, 2020.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company has discussed and reviewed the unaudited interim results of the Group for the six months ended June 30, 2020 with the Company's management, and has also discussed matters such as internal control, risk management and financial reporting.

ONLINE PUBLICATION OF INTERIM RESULTS

This results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk), and the website of the Company (www.travelskyir.com) which is made available pursuant to Rule 2.07C(6)(a) of the Listing Rules.

By order of the Board
TravelSky Technology Limited
Cui Zhixiong
Chairman

Beijing, PRC
August 27, 2020

As at the date of this announcement, the Board comprises:

Executive Directors: *Mr. Cui Zhixiong (Chairman) and Mr. Xiao Yinhong;*

Non-executive Directors: *Mr. Zhao Xiaohang, Mr. Xi Sheng and Mr. Luo Laijun;*

Independent non-executive Directors: *Mr. Cao Shiqing, Dr. Ngai Wai Fung and Mr. Liu Xiangqun.*