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 ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015

RESULTS HIGHLIGHTS

- Total revenue amounted to approximately RMB5,471.8 million, representing an increase of approximately 2.5% over Year 2014
- Profit attributable to equity holders of the Company was approximately RMB1,914.4 million, representing an increase of approximately 15.8% over Year 2014
- Earnings per share was RMB0.65
- The Board recommended the distribution of a final cash dividend of RMB0.166 per share for Year 2015

The board of directors (the "**Board**") of TravelSky Technology Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") which have been prepared in accordance with the International Financial Reporting Standards ("**IFRSs**") for the year ended December 31, 2015 ("**Year 2015**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended December 31, 2015
(Amounts expressed in thousands of Renminbi ("RMB"), except per share data)

	Note	**2015** *RMB'000*	2014 *RMB'000*
Revenues			
Aviation information technology services		**3,134,973**	2,854,335
Accounting, settlement and clearing services		**492,659**	432,377
System integration services		**643,429**	1,039,911
Data network and others		**1,200,770**	1,009,789
Total revenues	*3*	**5,471,831**	5,336,412
Operating expenses			
Business taxes and other surcharges		**(20,839)**	(20,948)
Depreciation and amortisation		**(503,673)**	(446,931)
Network usage fees		**(64,506)**	(46,511)
Personnel expenses		**(1,268,188)**	(1,172,783)
Operating lease payments		**(154,342)**	(159,460)
Technical support and maintenance fees		**(431,617)**	(470,085)
Commission and promotion expenses		**(566,971)**	(573,938)
Costs of software and hardware sold		**(411,596)**	(813,165)
Other operating expenses		**(302,459)**	(377,434)
Total operating expenses		**(3,724,191)**	(4,081,255)
Operating profit		**1,747,640**	1,255,157
Financial income, net		**137,090**	130,799
Government grant		**410,000**	500,000
Share of results of associated companies		**22,628**	19,012
Profit before taxation	*4*	**2,317,358**	1,904,968
Taxation	*5*	**(343,779)**	(213,110)
Profit after taxation for the year		**1,973,579**	1,691,858
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		**6,987**	(2,022)
Other comprehensive income, net of tax		**6,987**	(2,022)
Total comprehensive income for the year		**1,980,566**	1,689,836

	Note	2015 RMB'000	2014 RMB'000
Profit after taxation attributable to			
Owner of the Parent		**1,914,362**	1,652,589
Non-controlling interests		**59,217**	39,269
		1,973,579	1,691,858
Total comprehensive income attributable to			
Owner of the Parent		**1,921,349**	1,650,567
Non-controlling interests		**59,217**	39,269
		1,980,566	1,689,836
Earnings per share for profit attributable to Owner of the Parent			
Basic and diluted (RMB)	*6*	**0.65**	0.56
Cash dividends	*7*	**485,751**	389,186

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at December 31, 2015
(Amounts expressed in thousands of Renminbi ("RMB"))

	Note	**2015**	2014
		RMB'000	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment, net		**2,741,925**	1,987,785
Lease prepayment for land use right, net		**1,808,574**	1,861,307
Intangible assets, net		**249,346**	431,674
Goodwill		**4,426**	4,426
Investments in associated companies		**198,256**	178,392
Deferred income tax assets		**78,771**	41,122
Other long-term assets		**88,650**	27,258
Deposits with banks with original maturity date over three months		**220,105**	–
Restricted bank deposits		**129,856**	111,617
		5,519,909	4,643,581
Current assets			
Inventories		**33,824**	15,100
Trade receivables, net	*8*	**817,345**	755,172
Due from related parties, net		**2,491,953**	2,238,537
Due from associated companies		**16,890**	27,735
Income tax recoverable		**479**	7,480
Prepayments and other current assets		**539,682**	467,866
Held-to-maturity financial assets		**1,690,000**	1,210,000
Deposits with banks with original maturity date over three months		**1,348,689**	1,263,307
Restricted bank deposits		**169,763**	105,876
Cash and cash equivalents		**2,242,661**	1,994,953
		9,351,286	8,086,026
Total assets		**14,871,195**	12,729,607

	Note	2015 RMB'000	2014 RMB'000
EQUITY			
Capital and reserves attributable to Owner of the Parent			
Paid-In capital		**2,926,209**	2,926,209
Reserves		**3,641,176**	3,334,380
Retained earnings		**5,282,968**	4,058,000
		11,850,353	10,318,589
Non-controlling interests		**330,732**	257,629
Total equity		**12,181,085**	10,576,218
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**23,694**	19,289
Deferred revenue		**4,795**	3,955
		28,489	23,244
Current liabilities			
Trade payables and accrued liabilities	9	**2,354,742**	2,003,463
Due to related parties		**151,392**	92,810
Income tax payable		**126,645**	14,311
Deferred revenue		**28,842**	19,561
		2,661,621	2,130,145
Total liabilities		**2,690,110**	2,153,389
Total equity and liabilities		**14,871,195**	12,729,607
Net current assets		**6,689,665**	5,955,881
Total assets less current liabilities		**12,209,574**	10,599,462

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**") issued by International Accounting Standards Board ("the **IASB**") and under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

2 ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

New and amended standards adopted by the Group

The IASB has issued a number of amendments to IFRSs and new Interpretations that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Annual Improvements to IFRSs 2010–2012 Cycle

- Annual Improvements to IFRSs 2011–2013 Cycle

The adoption of the above amendments to IFRSs in the current year has no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New and revised IFRSs issued but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

- In September 2014, the IASB issued the final version of IFRS 9, it replaces IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. IFRS 9 will become effective for annual periods beginning on or after January 1, 2018. The Group is assessing the impact of IFRS 9.

- IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. The Group expects to adopt IFRS 15 on January 1, 2018 and is currently assessing the impact of IFRS 15 upon adoption.

- Amendments to IAS 16 and IAS 38 clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on January 1, 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

There are no other IFRSs or IFRIC interpretations which are not yet effective that would be expected to have a material impact on the Group.

3. REVENUE

Revenues primarily comprise the service fees earned by the Group for the provision of the Group's aviation information technology services, accounting, settlement and clearing services, system integration services and related data network services. A major portion of these revenues was generated from the substantial shareholders of the Company.

4. PROFIT BEFORE TAXATION

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

	2015	2014
	RMB'000	*RMB'000*
After charging:		
Depreciation	**204,696**	204,410
Amortisation of intangible assets	**221,780**	163,292
Amortisation of leasehold improvements	**24,464**	26,496
Amortisation of lease prepayment for land use right	**52,733**	52,733
Loss on disposal of property, plant and equipment	**2,475**	3,054
Provision for impairment of receivables	**17,022**	62,619
Written off of impairment of receivables	**–**	(2,092)
Impairment loss on property, plant and equipment	**16,974**	–
Costs of software and hardware sold	**411,596**	813,165
Retirement benefits	**130,601**	98,453
Auditors' remuneration	**2,659**	2,390
Contribution to housing benefits	**69,385**	60,059
Research and development expenses	**416,508**	424,853
Staff costs arising from share appreciation rights	**293**	761
After crediting:		
Interest income	**(128,659)**	(128,333)
Exchange gain, net	**(33,136)**	(2,481)

5. TAXATION

	2015	2014
	RMB'000	*RMB'000*
Current tax:		
PRC enterprise income tax expenses	**374,760**	216,985
Over-provision in respect of prior years	**(4,486)**	(912)
Overseas income tax expenses	**6,749**	1,926
Deferred tax	**(33,244)**	(4,889)
	343,779	213,110

Taxation of the Group except for TravelSky Technology (Hong Kong) Limited, TravelSky Technology (Singapore) Limited, TravelSky Technology (Japan) Limited, TravelSky Technology (Korea) Limited, TravelSky Technology (Europe) GmbH, TravelSky Technology (USA) Ltd., TravelSky R&D USA,Inc., TravelSky Technology (Taiwan) Limited and TravelSky Technology Australia Pty. Ltd. 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 prevailing in the locations in which the Group operates.

Under the Corporate Income Tax Law of the People's Republic of China ("**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 2014, pursuant to which the Company was granted the written certification by the relevant tax authorities, maintained its status as one of the "High and New Technology Enterprises", and was entitled to the preferential corporate income tax rate of 15% from Year 2014 to Year 2016 as a "High and New Technology Enterprise".

In addition to the recognised "High and New Technology Enterprise", enjoying 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. The Company obtained the certificate for "Important Software Enterprise" under the National Planning Layout since Year 2006 to Year 2014. The latest certification was granted on January 2, 2014, pursuant to which the Company was granted the certification as a "Important Software Enterprise" under the National Planning Layout, accordingly the Company has calculated the income tax expense at the corporate income tax rate of 10% for Year 2013 and Year 2014.

As at December 31, 2015, the relevant authorities have not yet issued the notice for the application of the assessment of the "Important Software Enterprise" for Year 2015. Thus, the Company has calculated the corporate income tax expense at the preferential tax rate of 15% for Year 2015 pursuant to the relevant requirements.

The Company's subsidiaries in the PRC are entitled to different corporate income tax rates, ranging from 15% to 25% under the CIT Law.

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the equity holders of the Company is based on the following:

	2015	2014
Earnings (RMB'000)		
Earnings for the purpose of calculating the basic and dilutive earnings per share	**1,914,362**	1,652,589
Numbers of shares ('000)		
Weighted average number of ordinary shares in issue	**2,926,209**	2,926,209
Earnings per share (RMB)		
Basic and dilutive	**0.65**	0.56

There were no potential dilutive ordinary shares outstanding during the year ended December 31, 2015 and 2014.

7. DIVIDENDS DISTRIBUTION

The equity holders approved the distribution of a final dividend of RMB389.2 million (RMB0.133 per share) for Year 2014 in the annual general meeting of the Company held on June 16, 2015. The amount was accounted for in shareholders' equity as an appropriation of retained earnings for the year ended December 31, 2015.

On March 31, 2016, the Board recommended the distribution of a final cash dividend of RMB485.8 million for Year 2015 (RMB0.166 per share). The proposed final dividend distribution is subject to shareholders' approval in the next general meeting of the Company and will be recorded in the Group's financial statements for the year ending December 31, 2016.

8. TRADE RECEIVABLES, NET

As of December 31, 2015 and 2014, the ageing analysis of the trade receivables was as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 6 months	**669,063**	601,470
Over 6 months but within 1 year	**117,520**	139,296
Over 1 year but within 2 years	**89,520**	82,996
Over 2 years but within 3years	**38,923**	25,273
Over 3 years	**39,867**	26,663
Total trade receivables	**954,893**	875,698
Provision for impairment of receivables	**(137,548)**	(120,526)
Trade receivables, net	**817,345**	755,172

9. TRADE PAYABLES AND ACCRUED LIABILITIES

The ageing analysis of trade payables and accrued liabilities is as follows:

	2015	2014
	RMB'000	*RMB'000*
Within 6 months	**321,227**	345,135
Over 6 months but within 1 year	**40,111**	27,088
Over 1 year but within 2 years	**72,102**	25,317
Over 2 years but within 3 years	**6,986**	6,613
Over 3 years	**19,421**	12,808
Total trade payables	**459,847**	416,961
Accrued liabilities and other liabilities	**1,894,895**	1,586,502
Total	**2,354,742**	2,003,463

10. SEGMENT REPORTING

The Group conducts its business within one business segment – the business of providing aviation information technology and related services in 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 consolidated statement of profit or loss and other comprehensive income. No segment consolidated income statement has been prepared by the Group for the year ended December 31, 2015 and 2014.

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.

2015 BUSINESS REVIEW

As the leading provider of information technology solutions for China's aviation and travel industry, the Group stands at a core tache along the value chain of China's aviation and travel service distribution. The Group has been devoted to serving the needs of all industry participants ranging from commercial airlines, airports, travel products and services providers, travel agencies, travel service distributors, corporate clients, travelers and cargo shippers, as well as major international organisations such as International Air Transport Association ("**IATA**") and government bodies, with the scope of services covering the provision of critical information systems on flight control, air ticket distribution, check-in, boarding and load planning, accounting, settlement and clearing, etc.. With more than three decades of tenacious development, the Group has built up a complete industry chain for aviation and travel information technology services, established a relatively comprehensive, competitively priced product line of aviation and travel information technology services with robust functionality, aiming to help all industry participants to expand their businesses, improve service quality, minimise operational costs and enhance operational efficiency, and ultimately bring benefits to travelers.

AVIATION INFORMATION TECHNOLOGY SERVICES

The aviation information technology ("**AIT**") services offered by the Group, which consist of a series of products and solutions, are provided to more than 30 commercial airlines in the PRC and more than 350 foreign and regional commercial airlines. The AIT services comprised electronic travel distribution ("**ETD**") services (including Inventory Control System ("**ICS**") services and Computer Reservation System ("**CRS**") services) and Airport Passenger Processing ("**APP**") services, as well as other extended information technology solutions related to the above core businesses, including but not limited to, product services for supporting aviation alliances, solutions for developing commercial airlines' e-tickets and e-commerce, data services for supporting decision-making of commercial airlines as well as information management system for improvement of ground operational efficiency.

Having benefitted from the robust demand in China's aviation market in 2015, the Group's electronic travel distribution (ETD) system processed approximately 470.7 million flight bookings on domestic and overseas commercial airlines, representing an increase of approximately 10.9% over the same period in 2014. Among which, the processed flight bookings on commercial airlines in China increased by approximately 10.9%, while those on foreign and regional commercial airlines increased by approximately 10.9%. The number of foreign and regional commercial airlines with direct links to the CRS systems of the Group reached 129, with sales percentage through direct links exceeding 99.8%. In 2015, apart from the adoption of our APP services by all major commercial airlines in the PRC, more foreign and regional commercial airlines were using the Group's APP system services, multi-host connecting program service and the Angel Cue platform connecting services, resulting in the increase of the number of such users to 139, with approximately 11.3 million of passenger departures processed in 90 airports.

In 2015, the Group further improved the aviation information technology services and its extended services and closely aligned the research and development focus with the industrial trend and customers' demand, with an aim to fulfill the demand of commercial airlines for the information technology solutions on travel convenience, e-commerce and auxiliary services. As a strategic partner of the Fast Travel project of IATA, the Group has been taking efforts in research and development and innovation in this sector. Our self-help product series, which were self-developed and in compliance with the IATA standards, have been used in a wide range of applications. Since its commencement of operation in North Asia in 2014, our self-help luggage processing system has already been brought into operation in 5 major commercial airlines in China, such as Air China Limited and China Southern Airlines Company Limited etc.. The commonly used self-service check-in system (CUSS) has been launched in 115 major domestic and international airports, and the online check-in service has been applied in 229 airports at home and abroad. Such products and services, together with the mobile check-in service and the newly-developed SMS check-in service, processed a total of approximately 123.2 million departing passengers. Our self-developed mobile application, "Umetrip", has been granted numerous patents and new functions including Apple Watch version, frequent flyer management, delay guessing game, itinerary verification, flight alert and flight comments have been introduced to enhance user experience. The Group provided E-Build (an e-commerce supporting platform) product or relevant overall solutions to 75 commercial e-commerce websites owned by 35 commercial airlines, including the international B2C and B2B websites launched in regional or overseas markets for 6 commercial airlines including Hong Kong Airlines Ltd. The Group refined the "Easy add value" (增值易) product platform, assisted 11 domestic and regional commercial airlines in expanding the auxiliary service business and introduced the "Security Guard" (安全衛士) product to aid commercial airlines in their revenue decision-making as well as monitoring of revenue leakage.

In 2015, as the new-generation civil aviation passenger service information system ("**New Generation System**") jointly researched and developed by the Group and key commercial airlines customers in China gathered pace, the smart and differentiated service application structure towards the Internet was refined, while the New Generation System entered a stage of gradual delivery through the introduction of the cloud platform, which had enriched the technical framework and the fundamental framework planning of customer service. With the new-generation flight management system, which supports O&D revenue management and automatic full flight lifecycle management, several core modules have been put into operation and implemented for the first batch of key customers. The new-generation international fare search engine for travelers has maintained stable operation with a steady increase of usage following its launch, and the arrangement of online agent channels has been initially completed. The delivery and implementation of a series of new products, including uniform seat selection, payment and sales for flight booking and departing flights, frequent flyer miles and consumption, automatic omni-channel for ticket return and re-scheduling, has addressed customer needs in time and increased customers' recognition of the New Generation System.

ACCOUNTING, SETTLEMENT AND CLEARING SERVICES

The Group provided accounting, settlement and clearing services and information system development and support services to commercial airlines and other aviation corporations through Accounting Centre of China Aviation Limited Company (中國航空結算有限責任公司) ("**ACCA**"), a wholly-owned subsidiary of the Group. As the downstream businesses of the Group's principal activities in air travel service distribution and sales, the above businesses strengthened the Group's information technology business in the air transportation and travel industry. Apart from being the world's largest service provider of IATA BSP Data Processing ("**BSP DP**"), ACCA is also the largest provider of outsourced services and system products in revenue settlement and clearing in the air transportation industry in China. Its major customers include domestic passenger and cargo airlines, overseas and regional commercial airlines, domestic airports, government organisations and IATA.

In 2015, the Group continued to consolidate the existing market of accounting, settlement and clearing services and stepped up its efforts in marketing and system research and development, introducing new customers including Fuzhou Airlines, Ruili Airlines, Guangxi Beibu Gulf Airlines and Urumqi Air. For the project of IATA new generation Billing and Settlement Plan (BSP) Data Processing System, implementation was completed for 5 BSPs in the North Asia region and 22 BSPs in the Asia-Pacific region. A unified clearing platform was set up, achieving weekly clearing for the entire network in the PRC and speeding up collection of domestic funds for commercial airlines. In 2015, there were approximately 745.6 million transactions and approximately 278.6 million BSP tickets processed by the accounting, settlement and clearing system of ACCA, while passenger, cargo and postal revenues, miscellaneous fees as well as international and domestic clearing fees settled through our system amounted to approximately USD8.2 billion, and e-payment transactions amounted to approximately RMB22.8 billion.

DISTRIBUTION OF INFORMATION TECHNOLOGY SERVICES

The Group's travel service distribution network comprises more than 70,000 sales terminals owned by more than 8,000 travel agencies and travel service distributors, with high-level networking and direct links to all Global Distribution Systems ("GDSs") around the world and 129 foreign and regional commercial airlines through SITA networks, covering over 400 domestic and overseas cities. The Group rendered technology support and localised services to travel agencies and travel service distributors through more than 40 local distribution centres across China and 8 overseas distribution centres across Asia, Europe, North America and Australia. The network processed over 373.1 million transactions during 2015 with its transaction amount reaching RMB402.8 billion.

In 2015, the Group stepped up its efforts to research, develop, service and promote the product lines for distribution information technology services, strove to cater to the needs of agents during the transformation period in response to the development trend of online mobile technology, persisted to optimize key product functions, such as the online interface for agents, business travel platform (1etrip) for small and medium enterprises and international fare search engine. The business travel desktop and mobile products were put in operation in major travel management companies (TMC) including CITS American Express Business Travel, covering the full process of ticket booking, price quotation, ticketing and billing. Through cooperating with the Ministry of Finance and the Settlement Centre of the Civil Aviation and Administration of China ("**CAAC**"), the "air ticket purchase platform for government departments and enterprises" was completed. Around 30 commercial airlines have become the carriers of the project, and over 700 sales departments of airlines and over 1,800 agent users have joined the purchase platform.

AIRPORT INFORMATION TECHNOLOGY SERVICES

In 2015, the Group actively participated in the domestic airport information system construction projects while pursued greater efforts in the upgrading and promotion of airport information technology service products. ASCII, the joint passenger processing system, has been promoted to 3 airports including Zhengzhou Airport and Xi'an Airport, while the ASCII Home/ASCII Node has been promoted to Nanjing Airport as an additional publishing function. The airport passenger and luggage information busbar (AMB) has completed the upgrades of functional modules for flight planning enquiry and flight tracking, which has been extended to 9 airports including Guangzhou Airport, Ulanhot Airport and Jinan Airport. The passenger hour traffic statistics module on the security and safety information platform has been upgraded and promoted to 4 airports including Yingkou Airport and Baicheng Airport. The new mobile POS counter payment function of the airport WIFI project, which is based on the internet economic model, had completed its upgrading in Yantai Airport and was successfully connected to the hand-held terminal PDA of the baggage management system (BMS), with the network input cost being reduced and the system safety and reliability being enhanced. Apart from its dominance in the middle-sized and large-sized airports in China, the new generation APP departure front-end system also facilitated China's commercial airlines to launch passenger check-in, transit and connecting flight services in 126 overseas or regional airports, processing approximately 29.3 million passenger departures, and accounting for approximately 87.5% of overseas returning passengers of China's commercial airlines. The service of Angel Lite, a passenger front-end processing system designed and developed for small airports ranking lower than the top 60 airports in terms of passenger throughput in China, was extended to another 14 airports including Qingyang Airport and Aba Airport.

AIR FREIGHT LOGISTICS INFORMATION TECHNOLOGY SERVICES

In 2015, the Group constantly refined the air freight logistics information technology services. Coupled with the national "Belt and Road" initiative and the policy requirement for accelerating the healthy growth of cross-border e-commerce, the Group promptly facilitated the project of "air freight logistics information platform and customs clearance integration" (航空物流信息平台通關一體化), and entered into contracts with several air cargo terminals including those in Xiamen, Changsha and Qingdao. The Group actively promoted the cargo security inspection system in pilot airports including Lanzhou Airport and Haikou Airport and substantially assisted domestic and international commercial airlines, including China Eastern Airlines Corporation Limited and Singapore Airlines Limited, in the use of electronic air waybills. In 2015, the air freight logistics information system handled approximately 16.0 million air waybills, representing an increase of 2.6% from the corresponding period in 2014.

TRAVEL PRODUCT DISTRIBUTION SERVICES

In 2015, the Group facilitated the transformation of the travel product distribution business and focused on setting up a purchase platform for business trip of central enterprises by creating a system featured with business trip products and introducing hotel groups and pricing systems that were in line with the business trip standards of central enterprises. Having proactively explored the direct sales model for hotels and progressively established the framework of a hotel direct sales platform, the Group has completed creating the product prototype. The Group distributed 583,800 hotel's room-nights through its hotel distribution platform-Sohoto.com during the year, representing a decrease of approximately 44.9% as compared with the corresponding period in 2014.

PUBLIC INFORMATION TECHNOLOGY SERVICES

In 2015, the Group leveraged upon the opportunities presented by China's advocated development of strategic and new information service industry, and explored customer base and service sectors with a focus on governmental authorities and central enterprises. The Group continued to undertake the outsourced data centre entrustment projects for China Galaxy Securities Company Limited, and the information centre and data centre under the Ministry of Civil Affairs. The Group won the bidding for and participated in several national key platformization projects, including the platform-based cloud construction project for the national tender and bidding public service, the digital manufacturing service platform and applications for the vessel industry chain and integrated ticketing platform for the road passenger transport network in the Beijing-Tianjin-Hebei area. In the meantime, the Group continued to provide customer service for the Cloud Data Replication (CDR) and Travel Cloud (TCD) products. By completing and launching its self-developed Cloud Disaster Service (CDS), the Group has become a leading service provider in the cloud disaster recovery sector in China.

INFRASTRUCTURE

The Group's infrastructure serves to achieve sustainable development for its business. Its objectives are to ensure safety in production, satisfy the needs of business development, adjust system structure and optimise resource allocation by making full use of existing technologies, business and management approaches, so as to improve operation reliability and interference-resistant ability and achieve low cost operation.

In 2015, the Group continued to maintain a relatively high level of safety in its production with the stable operation of its ICS, CRS, APP and core open system and the accounting, settlement and clearing mainframe systems. Construction of the new operating centre in Shunyi, Beijing has been proceeding as scheduled, while the work in relation the removal and relocation has also commenced. The Group also made strenuous efforts in self-development and innovation and enhanced its maintenance capability in full swing. The establishment of a unified operation and maintenance and management platform for the data centre realized cross-platform full-process control over the operation and maintenance process, while the commencement of operation of the unified monitoring platform of the data centre also helped to achieve integration and independency of the centre-level monitoring system. With the installation of new mainframe systems and upgrading of the CRS system, the safe operating capability of the system was further enhanced, thus supporting the subsequent capacity expansion of the mainframe systems. The Group effectively economized the resources of the mainframe system by stepping up efforts in the monitoring and protection of the mainframe system as well as high frequency and energy consumption reduction. Meanwhile, the Group also significantly strengthened the information security infrastructure and fully increased the protection of information security through a series of measures, such as dedicated information security protection, dedicated website security control, full check-up and critical control of system configuration and accounts, and establishment of the safety testing system for application systems. In 2015, the Group secured the safe operation of the civil aviation passenger information system in its daily operations and also during the heavy security period around Chinese New year, the convention of meetings of the National People's Congress and the People's Political Consultative Conference, and during the military parade.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the financial information of the Group contained in the financial statements (together with the notes thereto) reproduced in this year's results announcement. The financial statements have been prepared in accordance with IFRSs. The following discussions on the synopsis of historical results do not represent a prediction as to the future business operations of the Group.

For Year 2015, profit before taxation of the Group was approximately RMB2,317.4 million, representing an increase of approximately 21.6% over that in the year ended December 31, 2014 ("**Year 2014**"). Earnings before interests, tax, depreciation and amortization (EBITDA) reached approximately RMB2,692.4 million, representing an increase of approximately 21.1% over that in Year 2014. Profit attributable to equity holders of the Company was approximately RMB1,914.4 million, representing an increase of approximately 15.8% over that in Year 2014.

The basic and diluted earnings per share of the Group in Year 2015 were RMB0.65.

Net Cash Flows and Liquidity

The Group's working capital for Year 2015 mainly came from operating activities. Net cash inflow from operating activities amounted to RMB2,383.2 million.

In Year 2015, the Group had no short-term and long-term bank loans, neither did the Group use any financial instruments for hedging purpose.

As at December 31, 2015, cash and cash equivalents of the Group amounted to RMB2,242.7 million, of which approximately 90.9%, 7.6% and 0.5% were denominated in Renminbi, U.S. dollars and Hong Kong dollars, respectively.

Held-To-Maturity Financial Assets

As at December 31, 2015, the Group held commercial bank financial products in the amount of RMB1,690 million with a yield rate from 2.75% to 4.0%. Such products are principal-protected financial products with a maturity of 90 to 184 days, and not redeemable prior to the maturity date.

Charge on Assets

As at December 31, 2015, the Group had no charge on its assets.

Restricted Bank Deposits

As at December 31, 2015, restricted bank deposits in the amount of RMB299.6 million (2014: RMB217.5 million) mainly refers to the deposits placed at designated bank accounts as guarantee deposits to secure, amongst others, the construction of the new operating centre in Beijing.

Capital Expenditure

The capital expenditure of the Group amounted to approximately RMB1,046.2 million in Year 2015, representing a decrease of approximately RMB106 million as compared to that of approximately RMB1,152.2 million in Year 2014. The capital expenditure of the Group in Year 2015 consisted principally of upgrade of the existing equipment, development of the new generation aviation passenger service system and promotion of other new businesses, as well as the construction of the new operating centre in Beijing.

The Board estimates that the Group's planned capital expenditure for 2016 will amount to approximately RMB1,801.0 million, which is mainly used for the construction of the new operating centre in Beijing, development of the new generation aviation passenger service system and promotion of other new businesses. The sources of funding for the capital expenditure commitments will include existing cash on hand and internal cash flow generated from operating activities. The Board estimates that the sources of funding of the Group in 2016 will be sufficient for its capital expenditure commitments, daily operations and other purposes.

New Operating Centre in Beijing

The general plan of the new operating centre of the Company in Shunyi District, Beijing and the construction budget plan of its Phase I work were approved at the annual general meeting of the Company held on June 5, 2012 as follows: The new operating centre consists of 18 buildings with a total gross floor area of 533,000 sq. m.. The Phase I work consists of the construction of 13 buildings with a gross floor area of 368,000 sq. m. with an investment budget of RMB3.655 billion (subject to upward/downward adjustment of not more than 10%). (For details, please refer to the circular of the Company dated April 13, 2012 and the announcement of the Company dated June 5, 2012.)

As at the end of 2015, the Phase I work of the new operating centre in Beijing has accumulated an expenditure of approximately RMB1,727.9 million, representing approximately 47.3% of the construction budget of the Phase I work. The expenditure in 2015 was approximately RMB896.2 million. 13 buildings under the Phase I work have already been under construction. Among which, the production area consists of server building A, a power building and the operating centre, with a gross floor area of approximately 117,000 sq. m.; the office area consists of the headquarters building, the research and development centre and the settlement centre, with a gross floor area of approximately 170,000 sq. m.; and the ancillary area consists of an energy building, a cultural and sports centre, a shift dormitory and an underground garage, etc., with a gross floor area of approximately 81,000 sq. m. In 2016, the required expenditure for the Phase I work of the new operating centre in Beijing is expected to be approximately RMB1,055.5 million, which has been included in the capital expenditure plan of the Company for 2016.

Exchange Risk

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

Gearing Ratio

As at December 31, 2015, the gearing ratio of the Group was approximately 18.1% (2014: 16.9%), which was computed by dividing the total liabilities by the total assets of the Group as at December 31, 2015.

Contingent Liabilities

As at December 31, 2015, the Group had no material contingent liabilities.

Employees

As at December 31, 2015, the total number of employees of the Group was 6,631. Staff costs amounted to approximately RMB1,268.2 million for Year 2015 (2014: RMB1,172.8 million), representing approximately 34.1% of the total operating expenses of the Group for Year 2015.

The Group has different rates of remuneration for different employees (including executive directors and staff representative 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.

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. In 2015, the aggregate corporate annuity expenses of the Group amounted to approximately RMB38.9 million (2014: RMB19.1 million).

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.

Currently, as stipulated by and under the requirements of the regulatory bodies, the independent non-executive directors of the Company are entitled to directors' fee of RMB60,000 or RMB70,000 and allowance for attending meetings per annum, whilst none of the other non-executive directors of the Company receive any remuneration. Any reasonable fees and expenses incurred by all directors during their tenure of service will be borne by the Company. All directors of the Company are entitled to liability insurance purchased by the Company for its directors.

As disclosed in the announcement of the Company dated August 29, 2011, according to the H Share Appreciation Rights Scheme (the "**Scheme**") for certain directors, senior management and employees of the Company adopted by shareholders on June 28, 2011, the Board granted a total of 14,004,000 share appreciation rights to the first batch of incentive recipients which consisted of 56 people in total (of which 3 were executive directors of the Company). Prior approval of the Scheme had been obtained from the State-owned Assets Supervision and Administration Commission of the State Council ("**SASAC**").

Among the aforesaid 14,004,000 share appreciation rights: During 2014, the first tranche comprising 4,668,000 share appreciation rights were fully exercised, and the second tranche comprising 4,485,000 share appreciation rights were also exercised. During 2015, the third tranche comprising approximately 4,320,000 share appreciation rights were also exercised, and the amount of this tranche will be settled after year end. As of December 31, 2015, 389,000 and 142,000 share appreciation rights had lapsed during 2014 and 2015 respectively.

Distribution of Profit

In Year 2015, according to the Company Law of the People's Republic of China (the "**PRC Company Law**"), relevant laws and regulations, and the articles of association of the Company (the "**Articles**"), the distributable net profit after taxation and minority interest is distributed in the following order:

(i) making up cumulative prior years' losses, if any;

(ii) appropriation to the statutory surplus reserve fund;

(iii) appropriation to the discretionary surplus reserve fund;

(iv) appropriation to the distribution of dividends for ordinary shares.

The appropriation of 10% of its net profit to the discretionary surplus reserve fund for the year ended December 31, 2014 was approved at the annual general meeting held on June 16, 2015. The amount was accounted for in shareholder's equity as a distribution of retained earnings for Year 2015.

The proposed appropriation of 10% of its net profit amounted to RMB156.3 million to the discretionary surplus reserve fund for the year ended December 31, 2015 is subject to shareholders' approval at the forthcoming annual general meeting. Therefore, the amount will be recorded in the Group's financial statements for the year ending December 31, 2016.

PROPOSED DISTRIBUTION OF A FINAL CASH DIVIDEND FOR 2015

On March 31, 2016, the Board proposed the distribution of a final cash dividend of RMB485.8 million, which represented RMB0.166 per share (tax inclusive) for Year 2015 ("**Dividend**"). The total number of shares in issue of the Company which entitles the receipt of those dividends is 2,926,209,589 shares. Upon distribution of the above final dividend, the distributable profit as at December 31, 2015 is approximately RMB3,513.3 million (2014: RMB2,731.0 million).

Pursuant to the CIT Law and the Implementation Rules of the Corporate Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》), non-resident enterprise shareholders (including enterprise shareholders holding H shares of the Company as defined by the CIT Law) are subject to corporate income tax for their income arising within the PRC territory (including dividends they were entitled to as defined by the CIT Law). The applicable tax rate is 10% and the amount will be withheld by the Company.

Pursuant to relevant laws and regulations such as the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and the Implementation Rules of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》), foreign resident individual shareholders holding share certificates issued in Hong Kong by domestic non-foreign invested enterprises are entitled to relevant tax incentive policies in accordance with the tax treaties signed by countries in which they are domiciled and China and the requirements of the tax arrangement between China and Hong Kong (Macau). As such, dividend income received by individual shareholders holding H shares of the Company is subject to individual income tax at the rate of 10%, and the Company will withhold such amounts.

The Company will submit the above dividend distribution proposal to the forthcoming annual general meeting (the "**AGM**"). If such proposal is approved at the AGM, the Company will publish an announcement on the matters related to dividend distribution after conclusion of the AGM, including, among other things, the amount of dividend per share in Hong Kong dollar, book closure period, ex-date and dividend payment date.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended December 31, 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company has reviewed the accounting policies and practices adopted by the Group and has also discussed certain other matters relating to audit, internal control and financial reporting, including the review of the audited consolidated financial statements of the Group for the Year 2015.

CORPORATE GOVERNANCE PRACTICE

The Board has adopted the code provisions as stipulated in the Corporate Governance Code (the "**Code Provision(s)**"), as amended from time to time, in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as the Company's code of corporate governance practices.

In compliance with the principles set out in the Corporate Governance Code, the Board is committed to implementing effective corporate governance policies to ensure that all decisions are made in good faith and in accordance with the principles of transparency, fairness and integrity. With necessary and effective counterbalance, the Group continues to improve its corporate governance structure, so as to raise the quality of supervision and management, and to meet the expectation of its shareholders and the relevant parties.

In 2015, the Company fully complied with the Code Provisions.

2016 OUTLOOK

During the period of the 13th Five-Year Plan, the Group will be at the intersection of the civil aviation industry and information service industry, encountering many opportunities and challenges in regard to the macro-economy, policies, industries and technological environment. With a crucial window of opportunities, it is also a period during which the Group will promote changes in its path of growth and stress structural adjustment to achieve continual development. From a macro-situation perspective, the world economy has plunged and recovered amidst twists, and under the "New Normal" of China's economy, the path of adjustment, innovation and reformation of the stated-owned enterprises is expected to become more arduous. In respect of policy directions, based on the national cyber development strategy, the Internet Plus Action Plan, and the national Big Data strategy adopted by the Chinese government, the PRC will provide greater support to the new-generation information technology industries, accelerate the construction of the new-generation information infrastructure and facilitate the implementation of key projects for Big Data development. With respect to industry trends, the comprehensive transportation system and the national civil aviation power strategy will be brought into a new phase of development as the PRC embarks on the key stage for building a well-off society in an all-rounded way and the three major strategies, including the "Belt and Road" initiative, Beijing-Tianjin-Hebei coordinated development and the Yangtze River Economic Zone and the continual implementation of the regional development strategies of Development of Western China, Revitalization of Northeastern China, Rise of Central China and Eastern China Taking the Lead in Development, have continually progressed with the accelerated development pace of new industrialization, informatization, urbanization and agricultural modernization. For the application of technology, the integration between information technology, including mobile internet, the Internet of Things, Big Data and cloud computing, and tourism and the transportation sector is to be further achieved, triggering the emergence of new products, new operational models and new business models.

2016 is not only the first year of the 13th Five-Year Plan of the Group, but also a key year of comprehensive deepening reformation and a critical year of quality and efficiency enhancement as well as transformation and upgrading. As such, the Group will prudently assess the situation, remain open-minded, probe into matters thoroughly, embrace its goal of "growth stability, structural adjustment, risk prevention", further adjust and refine its development strategies, implement thorough reformation, carry out innovation-driven development and open up co-operations. Firstly, the Group will refine its business structure, optimize resources allocation and explore international business operation in order to enhance the quality and efficiency of development. Secondly, the Group will promote technological innovation, business innovation, management innovation and service innovation, thereby expediting the implementation of the innovation-driven development strategy. Thirdly, with a focus on the service philosophy which the Group upholds, service management will be strengthened while service supervision mechanism will be refined with a view to improving customer service. Fourthly, the Group will lay a solid hardware foundation for long-term development by ensuring adherence of the new operating centre in Shunyi, Beijing to its construction schedule, reinforcing risk prevention and implementing its removal and relocation tasks gradually. Fifthly, by intensifying internal reforms, enhancing the implementation of strategies and strengthening fundamental management, the Group hopes to promote the upgrading of its management capabilities.

ONLINE PUBLICATION OF ANNUAL RESULTS

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By the order of the Board
TravelSky Technology Limited
Yu Xiaochun
Company Secretary

Beijing, PRC
March 31, 2016

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

Executive Directors:	*Mr. Cui Zhixiong (Chairman) and Mr. Xiao Yinhong;*
Non-executive Directors:	*Mr. Cao Jianxiong, Mr. Li Yangmin and Mr. Yuan Xin'an;*
Independent non-executive Directors:	*Mr. Cheung Yuk Ming, Mr. Cao Shiqing and Dr. Ngai Wai Fung.*