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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)**

## **REVISION OF ANNUAL CAPS FOR 2017 AND 2018 UNDER THE NEW SOUTHERN AIRLINES AGREEMENT**

Reference is made to the announcement of the Company dated 28 December 2016 in relation to the entering into the New Southern Airlines Agreement, pursuant to which ACCA agreed to provide revenue management application system products and services and passenger and cargo revenue settlement and clearing services to Southern Airlines for a term of two years ending 31 December 2018.

Based on the actual transaction amounts between ACCA and Southern Airlines under the New Southern Airlines Agreement for the five months ended 31 May 2017, it is expected that the transaction amounts in respect of the services provided by ACCA to Southern Airlines will probably exceed each of the existing annual caps for 2017 and 2018. Taking this into account, the Group revised the aforementioned annual caps accordingly.

ACCA is a wholly-owned subsidiary of the Company as at the date of this announcement. Southern Holding is a substantial Shareholder of the Company. Southern Airlines, being a subsidiary of Southern Holding, is therefore a connected person of the Company pursuant to the Listing Rules.

Since the highest applicable Percentage Ratio with reference to the largest revised annual cap for the transactions under the New Southern Airlines Agreement exceeds 0.1% but is less than 5%, the Southern Airlines Transactions and the revision of the annual caps under the New Southern Airlines Agreement are subject to the announcement requirement but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

### **I. BACKGROUND**

Reference is made to the announcement of the Company dated 28 December 2016 in relation to the entering into the New Southern Airlines Agreement, pursuant to which ACCA agreed to provide revenue management application system products and services and passenger and cargo revenue settlement and clearing services to Southern Airlines for a term of two years ending 31 December 2018.

## II. REVISION OF ANNUAL CAPS FOR 2017 AND 2018 UNDER THE NEW SOUTHERN AIRLINES AGREEMENT

Set out below are the original annual caps for the New Southern Airlines Agreement for the two years ending 31 December 2018:

	<b>Year ending 31 December</b>	
	<b>2017</b>	<b>2018</b>
Southern Airlines Transactions	RMB96,441,550 (equivalent to approximately HK\$109,943,367)	RMB110,007,782 (equivalent to approximately HK\$125,408,871.48)

Based on the actual transaction amounts between ACCA and Southern Airlines under the New Southern Airlines Agreement for the five months ended 31 May 2017, it is expected that the transaction amounts in respect of the services provided by ACCA to Southern Airlines will probably exceed each of the existing annual caps for 2017 and 2018. Taking this into account, the Group revised the aforementioned annual caps accordingly.

Set out below are the revised annual caps for the New Southern Airlines Agreement for the two years ending 31 December 2018:

	<b>Year ending 31 December</b>	
	<b>2017</b>	<b>2018</b>
Southern Airlines Transactions	RMB111,000,000 (equivalent to approximately HK\$126,540,000)	RMB127,000,000 (equivalent to approximately HK\$144,780,000)

The aforementioned revised annual caps under the New Southern Airlines Agreement are determined with reference to the following factors:

- (i) the historical transaction amounts for the three years ended 31 December 2016 and the five months ended 31 May 2017 as shown in the table below:

	<b>Year ended 31 December</b>			<b>Five months ended</b>
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>31 May 2017 (unaudited)</b>
Southern Airlines Transactions	RMB63,689,000 (equivalent to approximately HK\$72,605,460)	RMB68,046,900 (equivalent to approximately HK\$77,573,466)	RMB74,211,410 (equivalent to approximately HK\$84,601,007.4)	RMB35,244,750 (equivalent to approximately HK\$40,179,015)

- (ii) the actual transaction amounts for the five months ended 31 May 2017 exceeded the expectation of the Company when determining the existing annual cap due to the increase in the demand of the Group's services by Southern Airlines which in turn was a result of increase in its air passenger volume;
- (iii) the expansion of Southern Airlines' business from time to time through acquisition of other airlines or establishing more subsidiaries or branches;
- (iv) a buffer necessary to accommodate the unexpected fluctuation in the annual growth of transaction volume.

The Board further confirms that the original annual cap for the year ending 31 December 2017 under the New Southern Airlines Agreement has not yet been exceeded as at the date of this announcement.

### **III. IMPLICATIONS UNDER THE LISTING RULES**

ACCA is a wholly-owned subsidiary of the Company as at the date of this announcement. Southern Holding is a substantial Shareholder of the Company. Southern Airlines, being a subsidiary of Southern Holding, is therefore a connected person of the Company pursuant to the Listing Rules.

Since the highest applicable Percentage Ratio with reference to the largest revised annual cap for the transactions under the New Southern Airlines Agreement exceeds 0.1% but is less than 5%, the Southern Airlines Transactions and the revision of the annual caps under the New Southern Airlines Agreement are subject to the announcement requirement but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

Mr. Yuan Xin'an has abstained from voting on relevant Board resolution in respect of revision of annual caps for 2017 and 2018 under the New Southern Airlines Agreement as he is an employee of Southern Holding. Save as disclosed above, none of the Directors has a material interest in the aforementioned revision of annual caps and none of them has abstained from voting on the relevant Board resolution.

### **IV. GENERAL INFORMATION**

#### **Information on the Group**

The Group is principally engaged in the provision of aviation information technology services in the PRC as well as provision of accounting, settlement and clearing services and information system development and support services to domestic and worldwide airline companies.

## **Information on ACCA**

ACCA is principally engaged in the provision of accounting, settlement and clearing services and information system development and support services to commercial airlines and other aviation companies.

## **Information on Southern Airlines**

Southern Airlines is principally engaged in the provision of domestic, Hong Kong and Macau and international passenger, cargo and mail airline services. It is also a company listed on the Main Board of the Stock Exchange.

## **V. DEFINITIONS**

In this announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:

“ACCA”	Accounting Centre of China Aviation Limited Company* (中國航空結算有限責任公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“Board”	the board of Directors
“Company”	TravelSky Technology Limited, a company incorporated under the laws of the PRC whose shares are listed on the Main Board of the Stock Exchange and whose American depositary shares are traded on the over-the-counter market in the United States of America
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries, including ACCA
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)

“New Southern Airlines Agreement”	the written agreement entered into by ACCA and Southern Airlines on 28 December 2016, pursuant to which both parties agreed to the provision of revenue management application system products and services and passenger and cargo revenue settlement and clearing services by ACCA to Southern Airlines for a term of two years ending 31 December 2018, the details of which have been set out in the announcement of the Company dated 28 December 2016
“Percentage Ratio(s)”	the percentage ratio(s) described under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region and the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Southern Airlines”	China Southern Airlines Company Limited* (中國南方航空股份有限公司), a subsidiary of Southern Holding as at the date of this announcement
“Southern Airlines Transactions”	the continuing connected transactions between ACCA and Southern Airlines in relation to the provision of the various services by the Group to Southern Airlines under the New Southern Airlines Agreement
“Southern Holding”	China Southern Air Holding Company* (中國南方航空集團公司), a substantial shareholder of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“%”	per cent

\* *for identification purposes only*

*For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.14 has been used, where applicable, for the purpose of illustration only and not constitute a representation that any amount have been, could have been or may be exchanged.*

By the order of the Board  
**TravelSky Technology Limited**  
**Cui Zhixiong**  
*Chairman*

Beijing, PRC  
27 June 2017

*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. Cao Shiqing, Dr. Ngai Wai Fung. and Mr. Liu Xiangqun.*