

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 TO 2019
UNDER THE SICHUAN AIRLINES SERVICES AGREEMENT**

Reference is made to the announcement of the Company dated 20 October 2016 in relation to the continuing connected transaction under the Sichuan Airlines Services Agreement.

The Company has been providing certain technology services to Sichuan Airlines under the Sichuan Airlines Services Agreement since 26 January 2005. On 20 October 2016, the Company and Sichuan Airlines entered into a supplemental agreement to renew the Sichuan Airlines Services Agreement for a further three-year term from 1 January 2017 to 31 December 2019.

Based on the actual transaction amounts between the Company and Sichuan Airlines under the Sichuan Airlines Services Agreement for the six months ended 30 June 2017, it is expected that the transaction amounts in respect of the services provided by the Company to Sichuan Airlines will probably exceed each of the existing annual caps for 2017 to 2019. Taking this into account, the Group revised the aforementioned annual caps accordingly.

By virtue of its being an associate of Southern Airlines, Sichuan Airlines is a connected person of the Company under the Listing Rules. Since the highest applicable Percentage Ratio calculated with reference to the Revised Annual Caps under the Sichuan Airlines Services Agreement is more than 0.1% but less than 5%, the continuing connected transaction with Sichuan Airlines and the revision of the annual caps under the Sichuan Airlines Services Agreement are only 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 20 October 2016 in relation to the continuing connected transaction under the Sichuan Airlines Services Agreement.

The Company has been providing certain technology services to Sichuan Airlines under the Sichuan Airlines Services Agreement since 26 January 2005. On 20 October 2016, the Company and Sichuan Airlines entered into a supplemental agreement to renew the Sichuan Airlines Services Agreement for a further three-year term from 1 January 2017 to 31 December 2019.

II. REVISION OF ANNUAL CAPS FOR 2017 TO 2019 UNDER THE SICHUAN AIRLINES SERVICES AGREEMENT

Set out below are the original annual caps for the Sichuan Airlines Services Agreement for the three years ending 31 December 2019:

	Year ending 31 December		
	2017	2018	2019
Sichuan Airlines Transactions	RMB215,600,000 (equivalent to approximately HK\$247,940,000)	RMB237,160,000 (equivalent to approximately HK\$272,734,000)	RMB260,876,000 (equivalent to approximately HK\$300,007,400)

Based on the actual transaction amounts between the Company and Sichuan Airlines under the Sichuan Airlines Services Agreement for the six months ended 30 June 2017, it is expected that the transaction amounts in respect of the services provided by the Company to Sichuan Airlines will probably exceed each of the existing annual caps for 2017 to 2019. Taking this into account, the Group revised the aforementioned annual caps accordingly.

Set out below are the Revised Annual Caps for the Sichuan Airlines Services Agreement for the three years ending 31 December 2019:

	Year ending 31 December		
	2017	2018	2019
Sichuan Airlines Transactions	RMB255,000,000 (equivalent to approximately HK\$293,250,000)	RMB283,000,000 (equivalent to approximately HK\$325,450,000)	RMB310,000,000 (equivalent to approximately HK\$356,500,000)

The aforementioned Revised Annual Caps under the Sichuan Airlines Services Agreement are determined with reference to the following factors:

- (i) the historical transaction amounts for the three years ended 31 December 2016 and the six months ended 30 June 2017 as shown in the table below:

	Year ended 31 December			Six months ended
	2014	2015	2016	30 June 2017 (unaudited)
Sichuan Airlines Transactions	RMB158,966,530 (equivalent to approximately HK\$182,811,509.5)	RMB174,674,750 (equivalent to approximately HK\$200,875,962.5)	RMB186,441,030 (equivalent to approximately HK\$214,407,184.5)	RMB94,751,000 (equivalent to approximately HK\$108,963,650)

- (ii) the actual transaction amounts for the six months ended 30 June 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 Sichuan Airlines which in turn was a result of increase in its air passenger volume;
- (iii) the expansion of Sichuan 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 Sichuan Airlines Services Agreement has not yet been exceeded as at the date of this announcement.

III. IMPLICATIONS UNDER THE LISTING RULES

As at the date of the announcement, Southern Airlines holds more than 30% equity interest in Sichuan Airlines. Southern Airlines is a subsidiary of Southern Holding, the substantial shareholder of the Company. By virtue of its being an associate of Southern Airlines, Sichuan Airlines is a connected person of the Company under the Listing Rules. Since the highest applicable Percentage Ratio calculated with reference to the Revised Annual Caps under the Sichuan Airlines Services Agreement is more than 0.1% but less than 5%, the continuing connected transaction with Sichuan Airlines and the revision of the annual caps under the Sichuan Airlines Services Agreement are only 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 the revision of the annual caps under the Sichuan Airlines Services Agreement for the three years ending 31 December 2019 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 the 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 Sichuan Airlines

Sichuan Airlines is principally engaged in airline operation in the PRC.

V. DEFINITIONS

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

“associate(s)”	have the same meaning ascribed to it under the Listing Rules
“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

“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)
“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
“Revised Annual Cap(s)”	the revised maximum annual amount of the transactions under the Sichuan Airlines Services Agreement for the three years ending 31 December 2019
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Sichuan Airlines”	Sichuan Airlines Company Limited* (四川航空股份有限公司), an associate of Southern Airlines as at the date of this announcement
“Sichuan Airlines Services Agreement”	the agreement entered into between the Company and Sichuan Airlines on 26 January 2005 in relation to the provision of technology services by the Company to Sichuan Airlines for a period up to 31 December 2019 as renewed by both parties from time to time
“Sichuan Airlines Transactions”	the transactions contemplated under the Sichuan Airlines Services Agreement
“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 the date of this announcement
“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\$1.15 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

25 August 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.