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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 CAP FOR THE YEAR OF 2017 UNDER THE SICHUAN RENEWAL AGREEMENT

Reference is made to the announcement of the Company dated 30 December 2014 in relation to the continuing connected transactions under the Sichuan Renewal Agreement.

On 30 December 2014, ACCA and Sichuan Airlines entered into the Sichuan Renewal Agreement, pursuant to which ACCA agreed to provide the computer system application and support services and the passenger and cargo accounting and settlement services to Sichuan Airlines for a term of three years ending 31 December 2017 upon the expiry of the then existing written agreement.

Based on the actual transaction amounts between ACCA and Sichuan Airlines under the Sichuan Renewal Agreement for the six months ended 30 June 2017, it is expected that the transaction amounts in respect of the services provided by ACCA to Sichuan Airlines will probably exceed the existing annual cap for the year of 2017. Taking this into account, the Group revised the aforementioned annual cap 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 Cap under the Sichuan Renewal Agreement is more than 0.1% but less than 5%, the continuing connected transactions with Sichuan Airlines and the revision of the annual cap under the Sichuan Renewal 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 30 December 2014 in relation to the continuing connected transactions under the Sichuan Renewal Agreement.

On 30 December 2014, ACCA and Sichuan Airlines entered into the Sichuan Renewal Agreement, pursuant to which ACCA agreed to provide the computer system application and support services and the passenger and cargo accounting and settlement services to Sichuan Airlines for a term of three years ending 31 December 2017 upon the expiry of the then existing written agreement.

II. REVISION OF ANNUAL CAP FOR THE YEAR OF 2017 UNDER THE SICHUAN RENEWAL AGREEMENT

Set out below is the original annual cap for the Sichuan Renewal Agreement for the year of 2017:

Year ending 31 December 2017

Sichuan Airlines Transactions	RMB13,434,595 (equivalent to approximately HK\$15,449,784)
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Based on the actual transaction amounts between ACCA and Sichuan Airlines under the Sichuan Renewal Agreement for the six months ended 30 June 2017, it is expected that the transaction amounts in respect of the services provided by ACCA to Sichuan Airlines will probably exceed the existing annual cap for the year of 2017. Taking this into account, the Group revised the aforementioned annual cap accordingly.

Set out below is the Revised Annual Cap for the Sichuan Renewal Agreement for the year of 2017:

Year ending 31 December 2017

Sichuan Airlines Transactions	RMB15,000,000 (equivalent to approximately HK\$17,250,000)
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The aforementioned Revised Annual Cap under the Sichuan Renewal Agreement is 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:

	2014	Year ended 31 December		Six months ended
		2015	2016	30 June 2017 (unaudited)
Sichuan Airlines Transactions	RMB6,849,000 (equivalent to approximately HK\$7,876,350)	RMB8,177,700 (equivalent to approximately HK\$9,404,355)	RMB10,714,800 (equivalent to approximately HK\$12,322,020)	RMB6,349,280 (equivalent to approximately HK\$7,301,672)

- (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 Sichuan Airlines' demand for the services provided by ACCA under the Sichuan Renewal Agreement 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 Renewal 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, ACCA is a wholly-owned subsidiary of the Company and 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 Cap under the Sichuan Renewal Agreement is more than 0.1% but less than 5%, the continuing connected transactions with Sichuan Airlines and the revision of the annual cap under the Sichuan Renewal 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 cap under the Sichuan Renewal Agreement for the year of 2017 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 cap 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 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:

“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
“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”	the revised maximum annual amount of the transactions under the Sichuan Renewal Agreement for the year of 2017
“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 Transactions”	the continuing connected transactions between ACCA and Sichuan Airlines in relation to the provision of computer system application and support services and the passenger and cargo accounting and settlement services under the Sichuan Renewal Agreement
“Sichuan Renewal Agreement”	the renewal written agreement entered into between ACCA and Sichuan Airlines on 30 December 2014 in respect of the Sichuan Airlines Transactions for a term of three years ending 31 December 2017
“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 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.

* *For identification purposes only*