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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: 696)

**CONTINUING CONNECTED TRANSACTIONS:
SOUTHERN AIRLINES TRANSACTIONS AND
EASTERN AIRLINES TRANSACTIONS
AND
WAIVER IN RELATION TO SUCH
CONTINUING CONNECTED TRANSACTIONS**

References are made to the announcements of the Company dated 2 September 2009 and 4 November 2009, respectively, and the circular of the Company dated 13 November 2009 in relation to, among other things, the Continuing Connected Transactions and the Previous Waiver. The Previous Waiver, together with the existing agreements between the Company and Southern Airlines in relation to the Southern Airlines Transactions and between ACCA and Eastern Airlines in relation to the Eastern Airlines Transactions, will expire on 31 December 2012. The Company and ACCA will continue such Continuing Connected Transactions after such date.

The Company expects that new written agreements for the Continuing Connected Transactions between the Group and the Airlines may not be entered into on or before 31 December 2012. Therefore, the Company has applied to the Stock Exchange, and the Stock Exchange has granted, the Waiver from strict compliance with the requirement of having written agreements under Rule 14A.35(1) of the Listing Rules.

The Waiver has been granted on condition that the Company publishes this announcement. Furthermore, the Company will seek a general mandate for a period of three years from the Independent Shareholders in due course in respect of the Continuing Connected Transactions under the Waiver. In the event that the terms of the new written agreements to be subsequently entered into with the Airlines are materially different from those to be approved by the Independent Shareholders, the Company will re-comply with the reporting, announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will establish the Independent Board Committee to advise the Independent Shareholders as to whether the Continuing Connected Transactions are (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and whether the proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. The Independent Board Committee will advise the Independent Shareholders on how to vote at the EGM on the resolutions in respect of the Continuing Connected Transactions and the proposed Annual Caps, after taking into account the recommendation of the independent financial adviser. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions and the proposed Annual Caps.

A circular containing, among other things, (i) further details of the Continuing Connected Transactions; (ii) a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the Continuing Connected Transactions and the proposed Annual Caps; (iii) the recommendation of the Independent Board Committee regarding the Continuing Connected Transactions and the proposed Annual Caps to the Independent Shareholders; and (iv) a notice of the EGM will be despatched to the Shareholders on or before 21 December 2012.

1. BACKGROUND AND REASONS FOR APPLICATION FOR THE WAIVER

References are made to the announcements of the Company dated 2 September 2009 and 4 November 2009, respectively, and the circular of the Company dated 13 November 2009 in relation to, among other things, the Continuing Connected Transactions and the Previous Waiver. The Previous Waiver, together with the existing agreements between the Company and Southern Airlines in relation to the Southern Airlines Transactions and between ACCA and Eastern Airlines in relation to the Eastern Airlines Transactions, will expire on 31 December 2012. The Company and ACCA will continue such Continuing Connected Transactions after such date. However, the Company expects that new written agreements for the Continuing Connected Transactions between the Group and the Airlines may not be entered into on or before 31 December 2012.

The Group plays a strategic and critical role in the proper functioning of civil aviation in the PRC and the services provided by the Group are akin to public services. It is in no position to stop or even partially cease to provide its services simply for the absence of written agreements, as any such interruption would bring untold inconvenience and financial loss to all market participants including dependent industries such as tourism and hospitality sectors. It also constitutes a breach of its public service covenant with CAAC to provide stable, reliable and zero-interruption booking services for the PRC airline industry.

It has long been the situation that the Company faces a dilemma between, on the one part, the duties to comply with its public service covenant as well as to protect the interests of the Company and its Shareholders as a whole and, on the other part, the obligations to observe certain requirements under the Listing Rules. The requirement of having written agreements under Rule 14A.35(1) of the Listing Rules has been taken advantage by some of the airlines, which are also our connected persons, against the Group with respect to their negotiation of agreements with the Group in attempts to extract advantages, including without limitation to bargain for the provision of additional services by the Group free of charges. These airlines have been used to applying delay tactic in the negotiation process in the previous Continuing Connected Transactions agreement renewal process as they knew that the Group had little bargaining power due to the time constraint, in anticipation that the Group would be forced to accept detrimental terms offered by the Airlines for the sake of complying with such requirement under Rule 14A.35(1). Furthermore, such agreement renewal process may also be delayed due to irresponsiveness of the airlines, which is beyond the control of the Group. In this situation, the Group is left with little option to force the airlines to respond as the Group is in no position to stop or even partially stop to provide its services to the airlines simply for the absence of written agreements.

Therefore, the Company considers that compliance with the requirement of having written agreements under Rule 14A.35(1) of the Listing Rules would be unduly burdensome and impractical and, in the situation where airlines adopt delay tactics in attempts to extract advantages, would prejudice and seriously detriment the interests of the Group as the Group would be forced to accept detrimental terms offered by the Airlines for the sake of complying with such requirement.

In view of the foregoing, the Company has applied to the Stock Exchange for and the Stock Exchange has granted the Waiver from strict compliance with the requirement of having written agreements under Rule 14A.35(1) of the Listing Rules with respect to the following Continuing Connected Transactions. The Waiver is for a three-year term commencing from 1 January 2013 to 31 December 2015. The Waiver has been granted on condition that the Company publishes this announcement.

2. CONTINUING CONNECTED TRANSACTIONS UNDER THE WAIVER

2.1 Details of the Continuing Connected Transactions under the Waiver

A. *Southern Airlines Transactions: Provision of technology services to Southern Airlines*

Parties: *Service provider:*
The Company

Service recipient:
Southern Airlines

Terms: 1 January 2013 to 31 December 2015

- Services: The scope of technology services consists of the following:
- (i) flight control system services which provide, among other services, the consolidated information, flight formation, flight control, flight tickets sales, automatic tickets sales and announcement of freight price;
 - (ii) electronic travel distribution system services which provide, among other services, flight information display, real-time flight reservation, automatic tickets sales, tickets price display and other travel-related services;
 - (iii) airport passenger processing system services which provide check-in, boarding and load planning services; and
 - (iv) civil aviation and commercial data network services which provide, among other services, the network transmission services and connection services.

- Service fees: The fees for the technology services are as follows:
- (1) the abovementioned (i) “flight control system services” and (ii) “electronic travel distribution system services” are generally referred to as “airlines passenger booking system services”. The pricing of such airlines passenger booking system services is subject to the maximum guidance prices prescribed by CAAC, being the progressive per passenger booking fee ranging from RMB4.5 to RMB6.5 for domestic flights and RMB6.5 to RMB7 for international flights, depending on the monthly passenger booking volume. The Company may determine the actual prices for airlines passenger booking system services through arm’s-length negotiation with Southern Airlines having taken into account of its passenger booking volume, as long as such prices do not exceed the abovementioned maximum guidance prices prescribed by CAAC;
 - (2) the pricing of the abovementioned (iii) “airport passenger processing system services” is also subject to the maximum guidance prices prescribed by CAAC, being (a) RMB7 per passenger for international and regional flights and RMB4 per passenger for domestic flights, and (b) RMB500 per aircraft for load balancing services. The Company may also determine the actual prices for airport passenger processing system services through arm’s-length negotiation with Southern Airlines having taken into account of a number of factors such as the types of the flights, transportation volume, level of services and size of the aircraft, as long as the prices do not exceed the above maximum guidance prices prescribed by CAAC; and

- (3) the pricing of the abovementioned (iv) “civil aviation and commercial data network services” (other than physical identified device (“**PID**”) connection and maintenance services) are not governed by guideline of CAAC or the framework of any other PRC airlines regulatory body but are subject to mutual negotiation between the parties based on the principle of fairness and reasonableness and with reference to market conditions. The pricing of PID connection and maintenance services is subject to the maximum guidance price of RMB200 per PID per year as prescribed by CAAC.

The service fees shall be calculated on a monthly basis and shall be paid in cash within 30 days after receipt of the invoice.

The Directors are of the view that the basis of determination of the service fees mentioned above is fair and reasonable.

B. Eastern Airlines Transactions: Provision of the ACCA services to Eastern Airlines

Parties: *Service provider:*
ACCA

Service recipient:
Eastern Airlines

Terms: 1 January 2013 to 31 December 2015

Services: The scope of services consists of the following:

- (i) revenue accounting systems development and support services, which mainly provide installation of application software for revenue management system and setting up of the database; technical and application support; maintenance of the software, hardware environment and system safety, etc; setting up of the communication connection solution in respect of the revenue management systems and assisting Eastern Airlines in relevant application, installation and testing works; provision of necessary system training, operation and maintenance guidelines;
- (ii) passenger and cargo revenue accounting and settlement services, which mainly provide business clearing and settlement; sorting, archiving, managing, proofreading, mailing, clearing and business handling of passenger and cargo air tickets; data collection and handling as provided to Eastern Airlines by foreign and domestic airlines, report examination and correction, initial and subsequent examinations and adjustment, mail and telegraph preparation and handling, invoice preparation, sorting, archiving, managing, proofreading, mailing, clearing and business handling, etc of invoices and tickets; and

- (iii) commercial analysis and management products application services.

Service fees:

The fees for the services are as follows:

- (1) the pricing of the abovementioned (i) “revenue accounting systems development and support services” is not governed by any regulatory pricing guidelines but is determined through arm’s-length negotiation between ACCA and Eastern Airlines with reference to the costs and specifications of the relevant type of services to be provided and varies depending on the transaction volume (i.e. the higher the transaction volume, the lower the rate). The rate of unit price for such services for passengers is no more than RMB0.4 for domestic passengers and no more than RMB1.65 for international passengers. The rate of unit price for such services for cargo is no more than RMB1.8 for domestic cargo and no more than RMB5.2 for international cargo;
- (2) the pricing of the abovementioned (ii) “passenger and cargo revenue accounting and settlement services” is generally subject to the maximum guidance prices prescribed by CAAC, which are generally calculated based on certain maximum percentage rates, ranging from 1% to 1.5%, of the total amount involved in the revenue accounting. The Company may determine the actual rates for such passenger and cargo revenue accounting and settlement services through arm’s-length negotiation with Eastern Airlines, which are generally not more than 1% of the total amount involved for the revenue accounting; and
- (3) the pricing of the abovementioned (iii) “commercial analysis and management products application services” is not governed by any regulatory pricing guidelines but are determined through arm’s length negotiation between ACCA and Eastern Airlines. Such fees generally consist of a fixed monthly fee for usage and operation maintenance for system analysis and management products; a one-off system implementation fee of RMB100,000; and a commercial development fee of RMB2,000 per person per day.

The service fees shall generally be calculated on a monthly basis and shall be settled in cash.

The Directors are of the view that the basis of determination of the service fees mentioned above is fair and reasonable.

2.2 Internal control and mechanism to regulate the Continuing Connected Transactions

To ensure that the Continuing Connected Transactions are carried out in accordance with the regulatory guidelines and terms as disclosed herein and those to be agreed in the renewal agreements of the Continuing Connected Transactions, the Company has in place the following internal control procedures and mechanism:

- (1) the majority types of services under the Southern Airlines Transactions and almost all types of services under the Eastern Airlines Transactions are provided and carried out through the Company's large scale computerized automated system with pre-set technology parameters and pricing formulas as agreed under the relevant Continuing Connected Transactions agreements. Changes of such pre-set technology specifications and pricing terms can only be made after receiving joint approvals from various internal departments of the Company to ensure that the terms of the Continuing Connected Transactions are adherent and strictly followed; and
- (2) for other types of services under the Southern Airlines Transactions where separate service agreements may be entered into, the entering into of such individual agreements will be scrutinized by a number of internal departments of the Company to ensure that the terms of such agreements will be in compliance with regulatory guidelines, where applicable, and the market practice, and will not deviate from the terms of the Southern Airlines Transactions as disclosed herein.

Furthermore, the auditors of the Company will conduct annual review of the Continuing Connected Transactions in compliance with Chapter 14A of the Listing Rules and the Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" as issued by the Hong Kong Institute of Certified Public Accountants to report that, among other things, such transactions are in accordance with the pricing policies of the Company and have been entered into in accordance with the relevant agreements (if have been entered into) governing the transactions in accordance with Rule 14A.38 of the Listing Rules.

As such, the Company is of the view that it possess adequate mechanism, internal control procedures and external supervision in place to ensure the terms of each of the Continuing Connected Transactions are adherent and strictly followed in accordance with the regulatory guidelines and the agreements of the Continuing Connected Transactions, or, if written agreements have not yet been entered into, the terms as disclosed herein.

3. HISTORICAL TRANSACTION RECORDS

Set out below is a summary of the aggregated amounts of the Continuing Connected Transactions for the three years ended 31 December 2011 and ten months ended 31 October 2012:

	Years ended 31 December		10 months ended 31 October	
	2009 (RMB)	2010 (RMB)	2011 (RMB)	2012 (RMB)
Southern Airlines Transactions	366,837,000 (approximately HK\$451,209,510)	411,726,000 (approximately HK\$506,422,980)	420,466,110 (approximately HK\$517,173,315)	358,940,000 (approximately HK\$441,496,200)
Eastern Airlines Transactions	44,478,000 (approximately HK\$54,707,940)	48,626,000 (approximately HK\$59,809,980)	68,419,000 (approximately HK\$84,155,370)	59,664,000 (approximately HK\$73,386,720)

Note: the historical transaction figures for the years ended 31 December 2009, 2010 and 2011 are audited figures of the Group and the figures for the 10 months ended 31 October 2012 are unaudited and extracted from internal management accounts.

4. PROPOSED ANNUAL CAPS AND BASIS FOR THE ANNUAL CAPS

4.1 Proposed Annual Caps

Set out below is a summary of the proposed Annual Caps for the Continuing Connected Transactions proposed for the three years ending 31 December 2015:

	Year ending 31 December		
	2013 (RMB)	2014 (RMB)	2015 (RMB)
Southern Airlines Transactions	556,066,000 (approximately HK\$683,961,180)	639,476,000 (approximately HK\$786,555,480)	735,398,000 (approximately HK\$904,539,540)
Eastern Airlines Transactions	90,484,000 (approximately HK\$111,295,320)	104,057,000 (approximately HK\$127,990,110)	119,665,000 (approximately HK\$147,187,950)

4.2 Basis of the Annual Caps for the Continuing Connected Transactions

A. *Southern Airlines Transactions*

The proposed Annual Caps for Southern Airlines Transactions are determined with reference to (i) the historical transaction amounts of such type of transactions between the Group and Southern Airlines for the year ended 31 December 2011 and the ten months ended 31 October 2012 and the historical annual growth of business with Southern Airlines in 2012; (ii) the estimated annual growth rate of 15% in the transaction volume after having taken into account of the anticipated growth of the PRC's aviation and travel industry and economy in general; and (iii) the expansion of the Southern Airlines' businesses from time to time through acquisition of other airlines or establishing more subsidiaries or branches.

B. *Eastern Airlines Transactions*

The proposed Annual Caps for Eastern Airlines Transactions are determined with reference to (i) the historical transaction amounts of such type of transactions between ACCA and Eastern Airlines for the year ended 31 December 2011 and the ten months ended 31 October 2012 and the historical annual growth of business with Eastern Airlines in 2012; (ii) an estimated annual growth rate of 15% in the level of service and scope of services provided by the Group after having taken into account of the anticipated growth of the PRC's aviation and travel industry and economy in general; and (iii) the expansion of the Eastern Airlines' businesses from time to time through acquisition of other airlines or establishing more subsidiaries or branches.

5. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The provision of the various services as described in section 2 headed "Continuing Connected Transactions under the Waiver" is in the ordinary and usual course of business of the Group. The Group will receive service fees for provision of such services and thus such transactions will increase the total revenue of the Group.

The Directors are of the view that the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the Continuing Connected Transactions and the proposed Annual Caps are fair and reasonable and in the interests of the Company and the shareholders as a whole.

6. IMPLICATIONS UNDER THE LISTING RULES

Southern Airlines is a subsidiary of Southern Holding, a substantial shareholder of the Company. As an associate of a substantial shareholder of the Company, Southern Airlines is a connected person of the Company under Rule 14A.11(4) of the Listing Rules. Therefore, the Southern Airlines Transactions constitute continuing connected transactions of the Company.

Eastern Holding is a substantial shareholder of the Company. Eastern Airlines, being a subsidiary of Eastern Holding, is an associate of Eastern Holding. Therefore, according to Rule 14A.11(4) of the Listing Rules, Eastern Airlines, being an associate of a connected person, is also a connected person of the Company. Therefore, the Eastern Airlines Transactions constitute continuing connected transactions of the Company.

The Company proposes to seek a general mandate for a period of three years ending 31 December 2015 from the Independent Shareholders in order to continue the Continuing Connected Transactions under the Waiver. In the event that the terms of new written agreements to be subsequently entered into with the Airlines are materially different from those being approved by the Independent Shareholders, the Company will re-comply with the reporting, announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will establish the Independent Board Committee to advise the Independent Shareholders as to whether the Continuing Connected Transactions are (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and whether the proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. The Independent Board Committee will advise the Independent Shareholders on how to vote at the EGM on the resolutions in respect of the Continuing Connected Transactions and the proposed Annual Caps, after taking into account the recommendations of the independent financial adviser. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions and the proposed Annual Caps.

A circular containing, among other things, (i) further details of the Continuing Connected Transactions; (ii) a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the Continuing Connected Transactions and the proposed Annual Caps; (iii) the recommendation of the Independent Board Committee regarding the Continuing Connected Transactions and the proposed Annual Caps to the Independent Shareholders; and (iv) a notice of the EGM will be despatched to the shareholders of the Company on or before 21 December 2012.

Voting at the EGM will be conducted by poll. Pursuant to the Listing Rules, shareholders with a material interest in the Continuing Connected Transactions and their respective associates shall abstain from voting on the relevant resolution(s). The table below sets out the Shareholders who will abstain from voting on the resolutions to consider and approve the general mandate in respect of the Continuing Connected Transactions under the Waiver:

Transactions	Shareholders to abstain from voting at the EGM
Southern Airlines Transactions	Southern Holding, Xiamen Airlines
Eastern Airlines Transactions	Eastern Holding, Eastern Airlines, Eastern Wuhan Airlines

7. 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, a wholly owned subsidiary of the Company since 3 March 2009, 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 Eastern Airlines

Eastern Airlines is a company listed on the Main Board of the Stock Exchange (Stock Code: 670) and is principally engaged in the operation of civil aviation, including the provision of passenger, cargo, mail delivery and other extended transportation services.

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 (Stock Code: 1055).

8. 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
“Airlines”	Eastern Airlines and Southern Airlines
“Annual Cap(s)”	the expected maximum aggregate annual amounts of the Continuing Connected Transactions for each of the three years ending 31 December 2015, as set out in section 4 headed “Proposed Annual Caps and Basis for the Annual Caps” in this announcement
“associate(s)”	have the same meaning ascribed to it under the Listing Rules

“Board”	the board of Directors
“CAAC”	中國民用航空局 (Civil Aviation Administration of China)
“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”	has the same meaning as ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the Eastern Airlines Transactions and the Southern Airlines Transactions
“Directors”	the directors of the Company
“Eastern Airlines”	中國東方航空股份有限公司 (China Eastern Airlines Corporation Limited*), a subsidiary of Eastern Holding as at the date of this announcement, and reference to Eastern Airlines in this announcement shall include its subsidiaries and associates unless the context otherwise requires
“Eastern Airlines Transactions”	the continuing connected transactions between ACCA and Eastern Airlines in relation to the provision of (i) revenue accounting systems development and support services; (ii) passenger and cargo revenue accounting and settlement services; and (iii) commercial analysis and management products application services by ACCA to Eastern Airlines and its subsidiaries as set out in this announcement
“Eastern Holding”	中國東方航空集團公司 (China Eastern Air Holding Limited*) which has a shareholding of 11.22% in the Company and is a substantial shareholder of the Company as at the date of this announcement
“Eastern Wuhan Airlines”	China Eastern Airlines Wuhan Company Limited (中國東方航空武漢有限責任公司), a subsidiary of Eastern Holding with a shareholding of 0.13% in the Company as at the date of this announcement
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of, among other things, approving the Continuing Connected Transactions and the Annual Caps mentioned in this announcement by the Independent Shareholders, and the notice of which will be set out in a circular to be despatched to the Shareholders in due course

“Group”	the Company and its subsidiaries, including ACCA
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Independent Board Committee”	the independent board committee of the Company to be formed by the Company to advise the Independent Shareholders in respect of the Continuing Connected Transactions and the Annual Caps as set out in this announcement
“Independent Shareholders”	the Shareholders who are not required to abstain from voting in respect of the relevant Continuing Connected Transactions at the EGM
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China and, for the sole purpose of this announcement, excludes the Hong Kong Special Administrative Region of the People’s Republic of China and the Macau Special Administrative Region of the People’s Republic of China
“Previous Waiver”	the previous waiver from strict compliance with the requirement of having written agreements under Rule 14A.35(1) of the Listing Rules granted by the Stock Exchange in 2009 in relation to the Continuing Connected Transactions
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholders of the Company
“Southern Airlines”	中國南方航空股份有限公司 (China Southern Airlines Company Limited*), a subsidiary of Southern Holding as at the date of this announcement, and reference to Southern Airlines in this announcement shall include its subsidiaries and associates unless the context otherwise requires
“Southern Airlines Transactions”	the continuing connected transactions between the Company and Southern Airlines in relation to the provision of the technology services by the Company to Southern Airlines and its subsidiaries as set out in this announcement
“Southern Holding”	中國南方航空集團公司 (China Southern Air Holding Company*) which has a shareholding of 11.94% in the Company and is a substantial shareholder of the Company as at the date of this announcement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Waiver”	a waiver from strict compliance with the requirement of having written agreements under Rule 14A.35(1) of the Listing Rules with respect to the Continuing Connected Transactions. Such waiver is for a three-year term commencing from 1 January 2013 to 31 December 2015
“Xiamen Airlines”	Xiamen Airlines Company Limited (廈門航空有限公司), a subsidiary of Southern Holding with a shareholding of 2.25% in the Company as at the date of this announcement
“%”	per cent

* for identification purposes only

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.23 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
Xu Qiang
Chairman

Beijing, PRC
30 November 2012

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

Executive Directors: Mr. Xu Qiang (Chairman), Mr. Cui Zhixiong and Mr. Xiao Yinhong;

Non-executive Directors: Mr. Wang Quanhua, Mr. Sun Yude and Mr. Xu Zhao;

Independent non-executive Directors: Mr. Cheung Yuk Ming, Mr. Zhou Deqiang and Mr. Pan Chongyi.