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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)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS:
CHINA CARGO DOMESTIC MAIL REVENUE ACCOUNTING AND
SETTLEMENT AGREEMENT**

References are made to the announcements of the Company dated 12 May 2009 and 18 August 2011 in relation to, among other things, the Domestic Mail Revenue Accounting and Settlement Agreement between ACCA and the relevant airlines companies (including China Cargo).

As the Domestic Mail Revenue Accounting and Settlement Agreement will expire on 31 December 2016, ACCA and China Cargo entered into the China Cargo Domestic Mail Revenue Accounting and Settlement Agreement on 16 November 2016, pursuant to which ACCA will continue to provide China Cargo the Domestic Mail Revenue Accounting and Settlement Services for a term of three years ending 31 December 2019.

ACCA is a wholly-owned subsidiary of the Company as at the date of this announcement. Eastern Airlines is a subsidiary of Eastern Holding and China Cargo is a subsidiary of Eastern Airlines as at the date of this announcement. Eastern Holding is a substantial shareholder of the Company. China Cargo is therefore a connected person of the Company pursuant to the Listing Rules. As such, the China Cargo Domestic Mail Revenue Accounting and Settlement Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

Since the highest applicable Percentage Ratio with reference to the largest annual cap for the transactions under the China Cargo Domestic Mail Revenue Accounting and Settlement Agreement is more than 0.1% but less than 5%, the transactions contemplated thereunder and the relevant annual caps are subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

I. CHINA CARGO DOMESTIC MAIL REVENUE ACCOUNTING AND SETTLEMENT AGREEMENT

References are made to the announcements of the Company dated 12 May 2009 and 18 August 2011 in relation to, among other things, the Domestic Mail Revenue Accounting and Settlement Agreement between ACCA and the relevant airlines companies (including China Cargo).

As the Domestic Mail Revenue Accounting and Settlement Agreement will expire on 31 December 2016, ACCA and China Cargo entered into the China Cargo Domestic Mail Revenue Accounting and Settlement Agreement on 16 November 2016, pursuant to which ACCA will continue to provide China Cargo the Domestic Mail Revenue Accounting and Settlement Services for a term of three years ending 31 December 2019.

The principal terms of the China Cargo Domestic Mail Revenue Accounting and Settlement Agreement are set out below:

Parties:	ACCA (as provider of the Domestic Mail Revenue Accounting and Settlement Services); and China Cargo (as recipient of the Domestic Mail Revenue Accounting and Settlement Services)
Date:	16 November 2016
Services:	Provision of stock control, sales control, sales audit, uplift revenue pro-ration, accounting processing, sales and uplift matching, clearing and settlement services
Service fee:	The system service fee is charged on a monthly basis. The service fee is based on the rate as set out in the agreement in which ACCA receives payment of 1.5% handling charges from China Cargo, and such fee is charged by reference to the relevant documents issued by the industry regulatory authorities.
Term:	1 January 2017 to 31 December 2019

II. HISTORICAL TRANSACTION RECORDS

Set out below are the respective historical transaction amounts in relation to the Domestic Mail Revenue Accounting and Settlement Services provided by ACCA for China Cargo during the three years ended 31 December 2015 and the eight months ended 31 August 2016:

2013 <i>RMB'000</i>	Year ended 31 December		Eight months
	2014 <i>RMB'000</i>	2015 <i>RMB'000</i>	ended 31 August 2016 <i>RMB'000</i> <i>(unaudited)</i>
19,745.50 (equivalent to approximately HK\$23,102,235)	17,081.86 (equivalent to approximately HK\$19,985,776)	16,185.70 (equivalent to approximately HK\$18,937,269)	8,562.80 (equivalent to approximately HK\$10,018,476)

III. ANNUAL CAPS UNDER THE CHINA CARGO DOMESTIC MAIL REVENUE ACCOUNTING AND SETTLEMENT AGREEMENT

Set out below are the proposed annual caps for the continuing connected transactions contemplated under the China Cargo Domestic Mail Revenue Accounting and Settlement Agreement for the three years ending 31 December 2019:

2017 <i>RMB'000</i>	Year ending 31 December		2019
	2018 <i>RMB'000</i>	2019 <i>RMB'000</i>	2019 <i>RMB'000</i>
11,000 (equivalent to approximately HK\$12,870,000)	11,000 (equivalent to approximately HK\$12,870,000)	11,000 (equivalent to approximately HK\$12,870,000)	11,000 (equivalent to approximately HK\$12,870,000)

The aforementioned annual caps are determined with reference to (i) the actual transaction amounts for the three years ended 31 December 2015 and the eight months ended 31 August 2016 as shown in the paragraph headed “II. Historical Transaction Records” in this announcement; and (ii) the estimated slight decrease in the business volume under the China Cargo Domestic Mail Revenue Accounting and Settlement Agreement as a result of the changing market conditions in the domestic mail transportation industry in the recent few years.

IV. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

ACCA will receive service fees for provision of the Domestic Mail Revenue Accounting and Settlement Services under the China Cargo Domestic Mail Revenue Accounting and Settlement Agreement and thus such transactions will increase the total revenue of the Group.

The Directors(including the independent non-executive Directors) are of the view that the transactions under the China Cargo Domestic Mail Revenue Accounting and Settlement Agreement are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and that the terms of the transactions and the relevant annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

V. IMPLICATIONS UNDER THE LISTING RULES

ACCA is a wholly-owned subsidiary of the Company as at the date of this announcement. Eastern Airlines is a subsidiary of Eastern Holding and China Cargo is a subsidiary of Eastern Airlines as at the date of this announcement. Eastern Holding is a substantial shareholder of the Company. China Cargo is therefore a connected person of the Company pursuant to the Listing Rules. As such, the China Cargo Domestic Mail Revenue Accounting and Settlement Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

Since the highest applicable Percentage Ratio with reference to the largest annual cap for the transactions under the China Cargo Domestic Mail Revenue Accounting and Settlement Agreement is more than 0.1% but less than 5%, the transactions contemplated thereunder and the relevant annual caps are subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

Mr. Li Yangmin, a non-executive Director of the Company, has abstained from voting on the resolution in relation to the China Cargo Domestic Mail Revenue Accounting and Settlement Agreement and the annual caps thereunder as he is a director of Eastern Airlines. Except for the above, none of the Directors has a material interest in this regard and none of them has abstained from voting on the relevant Board resolution.

VI. 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 China Cargo

China Cargo is principally engaged in the provision of cargo carriage services.

VII. DEFINITIONS

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

“ACCA”	中國航空結算有限責任公司 (Accounting Centre of China Aviation Limited Company*), a wholly-owned subsidiary of the Company as at the date of this announcement
“Board”	the board of Directors
“China Cargo”	中國貨運航空有限公司 (China Cargo Airlines Co., Ltd.*), a subsidiary of Eastern Airlines as at the date of this announcement
“China Cargo Domestic Mail Revenue Accounting and Settlement Agreement”	an agreement dated 16 November 2016 and entered into between ACCA as service provider and China Cargo as service recipient
“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
“Domestic Mail Revenue Accounting and Settlement Agreement”	an agreement dated 30 July 1997 and entered into between ACCA as service provider and the relevant airlines companies as service recipients
“Domestic Mail Revenue Accounting and Settlement Services”	provision of stock control, sales control, sales audit, uplift revenue pro-rata, accounting processing, sales and uplift matching, clearing and settlement services
“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
“Eastern Holding”	中國東方航空集團公司 (China Eastern Air Holding Limited*), a substantial shareholder of the Company as at the date of this announcement
“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
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules

“substantial shareholder” has the same meaning as ascribed to 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\$1.17 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
16 November 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. Cao Shiqing, Dr. Ngai Wai Fung and Mr. Liu Xiangqun.