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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**

Reference is made to the announcement of the Company dated 31 August 2012 in relation to, among others, the entering into the Services Framework Agreements with the Service Companies respectively and the continuing connected transactions contemplated thereunder in relation to the provision of technical training and maintenance services, and services in respect of sale of products, purchase of equipment, marketing and distribution of products of the Company by the Service Companies for a term from 1 January 2013 to 31 December 2015.

On 27 August 2015, the Board has agreed to the extension of the term of each of relevant Services Framework Agreement from 1 January 2016 to 31 December 2018 upon the expiry of the existing term on 31 December 2015.

Each Service Company is a connected person of the Company pursuant to Rule 14A.07(4) or Rule 14A.07(5) of the Listing Rules.

Since each of the applicable Percentage Ratios with reference to the largest annual cap for the transaction under the respective Services Framework Agreement with Hainan Cares, Shenzhen Cares, Xiamen Cares, Xinjiang Cares and Dongbei Cares in aggregate is more than 0.1% but less than 5%, the transactions contemplated under such Services Framework Agreements constitute continuing connected transactions subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since each of the applicable Percentage Ratios with reference to the largest annual cap for the transaction under the respective Services Framework Agreement with Xi'an Cares, Hubei Cares, Yunnan Cares, Qingdao Cares and Huadong Cares in aggregate is more than 0.1% but less than 5%, the transactions contemplated under such Services Framework Agreements constitute continuing connected transactions subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 31 August 2012 in relation to, among others, the entering into the Services Framework Agreements with the Service Companies respectively and the continuing connected transactions contemplated thereunder in relation to the provision of technical training and maintenance services, and services in respect of sale of products, purchase of equipment, marketing and distribution of products of the Company by the Service Companies for a term from 1 January 2013 to 31 December 2015.

On 27 August 2015, the Board has agreed to the extension of the term of each of relevant Services Framework Agreement from 1 January 2016 to 31 December 2018 upon the expiry of the existing term on 31 December 2015.

Further details of the Services Framework Agreements are set out below:

### 1. Services Framework Agreement with Hainan Cares

#### *Parties*

- (i) The Company; and
- (ii) Hainan Cares

#### *Main terms and obligations*

Details of the main terms and obligations are set out in the sub-section headed “Main Terms under the Services Framework Agreement” below.

#### *Historical Transaction Records*

Set out below are the aggregated amount of the continuing connected transaction between the Company and Hainan Cares for the two years ended 31 December 2014 and six months ended 30 June 2015:

	Year ended 31 December		Six months ended
	2013	2014	30 June 2015 (unaudited)
Transaction with Hainan Cares under the Services Framework Agreement	RMB3,251,000 (equivalent to approximately HK\$4,063,750)	RMB8,076,000 (equivalent to approximately HK\$10,095,000)	RMB2,819,000 (equivalent to approximately HK\$3,523,750)

### *Annual Caps*

Set out below are the annual caps for the Services Framework Agreement with Hainan Cares proposed for the three years ending 31 December 2018:

	<b>Year ending 31 December</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Transaction with Hainan Cares under the Services Framework Agreement	RMB11,629,000 (equivalent to approximately HK\$14,536,250)	RMB13,955,000 (equivalent to approximately HK\$17,443,750)	RMB16,746,000 (equivalent to approximately HK\$20,932,500)

### *Basis of the Annual Caps*

The above annual caps for the three years ending 31 December 2018 represent an estimated annual growth rate of 20% in the transaction volume calculated based on the full year transaction amount between the Company and Hainan Cares for the year 2014. The proposed annual caps and the estimated 20% annual transaction volume growth rate are determined with reference to (i) the actual growth rate of approximately 12.3% of the PRC's gross passenger transportation volume for the first quarter of 2015 as compared with the corresponding period in the previous year; (ii) the anticipated annual growth of approximately 10.0% of the PRC's gross passenger transportation volume for the year 2015 as estimated by CAAC; (iii) the increasing demand of the civil aviation transportation market as influenced by various factors such as the "One Belt and One Road" strategy; (iv) the expansion of the Hainan Cares' businesses from time to time; and (v) the expansion of the marketing and distribution of the products of the Company from time to time.

## **2. Services Framework Agreement with Shenzhen Cares**

### *Parties*

(i) The Company; and

(ii) Shenzhen Cares

### *Main terms and obligations*

Details of the main terms and obligations are set out in the sub-section headed "Main Terms under the Services Framework Agreement" below.

### *Historical Transaction Records*

Set out below are the aggregated amount of the continuing connected transaction between the Company and Shenzhen Cares for the two years ended 31 December 2014 and six months ended 30 June 2015:

	<b>Year ended 31 December</b>		<b>Six months ended</b>
	<b>2013</b>	<b>2014</b>	<b>30 June 2015</b>
			(unaudited)
Transaction with Shenzhen Cares under the Services Framework Agreement	RMB16,554,000 (equivalent to approximately HK\$20,692,500)	RMB17,407,000 (equivalent to approximately HK\$21,758,750)	RMB10,922,000 (equivalent to approximately HK\$13,652,500)

### *Annual Caps*

Set out below are the annual caps for the Services Framework Agreement with Shenzhen Cares proposed for the three years ending 31 December 2018:

	<b>Year ending 31 December</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Transaction with Shenzhen Cares under the Services Framework Agreement	RMB37,200,000 (equivalent to approximately HK\$46,500,000)	RMB44,640,000 (equivalent to approximately HK\$55,800,000)	RMB53,568,000 (equivalent to approximately HK\$66,960,000)

### *Basis of the Annual Caps*

The above annual caps for the three years ending 31 December 2018 represent an estimated annual growth rate of 20% in the transaction volume calculated based on the estimated full year transaction amount between the Company and Shenzhen Cares for the year 2015. The proposed annual caps and the estimated 20% annual transaction volume growth rate are determined with reference to (i) the actual growth rate of approximately 12.3% of the PRC's gross passenger transportation volume for the first quarter of 2015 as compared with the corresponding period in the previous year; (ii) the anticipated annual growth of approximately 10.0% of the PRC's gross passenger transportation volume for the year 2015 as estimated by CAAC; (iii) the increasing demand of the civil aviation transportation market as influenced by various factors such as the "One Belt and One Road" strategy; (iv) the expansion of the Shenzhen Cares' businesses from time to time; and (v) the expansion of the marketing and distribution of the products of the Company from time to time.

### 3. Services Framework Agreement with Xiamen Cares

#### *Parties*

- (i) The Company; and
- (ii) Xiamen Cares

#### *Main terms and obligations*

Details of the main terms and obligations are set out in the sub-section headed “Main Terms under the Services Framework Agreement” below.

#### *Historical Transaction Records*

Set out below are the aggregated amount of the continuing connected transaction between the Company and Xiamen Cares for the two years ended 31 December 2014 and six months ended 30 June 2015:

	<b>Year ended 31 December</b>		<b>Six months ended</b>
	<b>2013</b>	<b>2014</b>	<b>30 June 2015</b>
			(unaudited)
Transaction with Xiamen Cares under the Services Framework Agreement	RMB13,428,000 (equivalent to approximately HK\$16,785,000)	RMB21,124,000 (equivalent to approximately HK\$26,405,000)	RMB10,825,000 (equivalent to approximately HK\$13,531,250)

#### *Annual Caps*

Set out below are the annual caps for the Services Framework Agreement with Xiamen Cares proposed for the three years ending 31 December 2018:

	<b>Year ending 31 December</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Transaction with Xiamen Cares under the Services Framework Agreement	RMB35,000,000 (equivalent to approximately HK\$43,750,000)	RMB40,000,000 (equivalent to approximately HK\$50,000,000)	RMB45,000,000 (equivalent to approximately HK\$56,250,000)

### *Basis of the Annual Caps*

The above annual caps for the three years ending 31 December 2018 represent an estimated annual growth of RMB5,000,000 in the transaction volume calculated based on the estimated transaction value of the subcontracting arrangements between the Company and Xiamen Cares in respect of the security check operating system, which will amount to approximately RMB25,000,000, plus the estimated transaction value of other products and services between the Company and Xiamen Cares under the Services Framework Agreement which will amount to approximately RMB10,000,000 for the year 2016. The proposed annual caps and the estimated annual transaction volume growth are determined with reference to (i) the annual growth rate of 57.31% in the historical transaction amounts of such type of transactions between the Company and Xiamen Cares for the year ended 31 December 2014; (ii) the actual growth rate of approximately 12.3% of the PRC's gross passenger transportation volume for the first quarter of 2015 as compared with the corresponding period in the previous year; (iii) the anticipated annual growth of approximately 10.0% of the PRC's gross passenger transportation volume for the year 2015 as estimated by CAAC; (iv) the increasing demand of the civil aviation transportation market as influenced by various factors such as the "One Belt and One Road" strategy; (v) the expansion of the Xiamen Cares' businesses from time to time; and (vi) the expansion of the marketing and distribution of the products of the Company from time to time.

#### **4. Services Framework Agreement with Xinjiang Cares**

##### *Parties*

- (i) The Company; and
- (ii) Xinjiang Cares

##### *Main terms and obligations*

Details of the main terms and obligations are set out in the sub-section headed "Main Terms under the Services Framework Agreement" below.

### *Historical Transaction Records*

Set out below are the aggregated amount of the continuing connected transaction between the Company and Xinjiang Cares for the two years ended 31 December 2014 and six months ended 30 June 2015:

	<b>Year ended 31 December</b>		<b>Six months ended</b>
	<b>2013</b>	<b>2014</b>	<b>30 June 2015</b> (unaudited)
Transaction with Xinjiang Cares under the Services Framework Agreement	RMB4,451,000 (equivalent to approximately HK\$5,563,750)	RMB4,038,000 (equivalent to approximately HK\$5,047,500)	RMB2,603,000 (equivalent to approximately HK\$3,253,750)

### *Annual Caps*

Set out below are the annual caps for the Services Framework Agreement with Xinjiang Cares proposed for the three years ending 31 December 2018:

	<b>Year ending 31 December</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Transaction with Xinjiang Cares under the Services Framework Agreement	RMB5,987,000 (equivalent to approximately HK\$7,483,750)	RMB6,885,000 (equivalent to approximately HK\$8,606,250)	RMB7,918,000 (equivalent to approximately HK\$9,897,500)

### *Basis of the Annual Caps*

The above annual caps for the three years ending 31 December 2018 represent an estimated annual growth rate of 15% in the transaction volume calculated based on the estimated full year transaction amount between the Company and Xinjiang Cares for the year 2015. The proposed annual caps and the estimated 15% annual transaction volume growth rate are determined with reference to (i) the actual growth rate of approximately 12.3% of the PRC's gross passenger transportation volume for the first quarter of 2015 as compared with the corresponding period in the previous year; (ii) the anticipated annual growth of approximately 10.0% of the PRC's gross passenger transportation volume for the year 2015 as estimated by CAAC; (iii) the increasing demand of the civil aviation transportation market as influenced by various factors such as the "One Belt and One Road" strategy; (iv) the expansion of the Xinjiang Cares' businesses from time to time; and (v) the expansion of the marketing and distribution of the products of the Company from time to time.

## 5. Services Framework Agreement with Dongbei Cares

### *Parties*

- (i) The Company; and
- (ii) Dongbei Cares

### *Main terms and obligations*

Details of the main terms and obligations are set out in the sub-section headed “Main Terms under the Services Framework Agreement” below.

### *Historical Transaction Records*

Set out below are the aggregated amount of the continuing connected transaction between the Company and Dongbei Cares for the two years ended 31 December 2014 and six months ended 30 June 2015:

	<b>Year ended 31 December</b>		<b>Six months ended</b>
	<b>2013</b>	<b>2014</b>	<b>30 June 2015</b>
			(unaudited)
Transaction with Dongbei Cares under the Services Framework Agreement	RMB8,630,000 (equivalent to approximately HK\$10,787,500)	RMB16,358,000 (equivalent to approximately HK\$20,447,500)	RMB4,018,000 (equivalent to approximately HK\$5,022,500)

### *Annual Caps*

Set out below are the annual caps for the Services Framework Agreement with Dongbei Cares proposed for the three years ending 31 December 2018:

	<b>Year ending 31 December</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Transaction with Dongbei Cares under the Services Framework Agreement	RMB30,000,000 (equivalent to approximately HK\$37,500,000)	RMB36,000,000 (equivalent to approximately HK\$45,000,000)	RMB43,200,000 (equivalent to approximately HK\$54,000,000)



### *Basis of the Annual Caps*

The above annual caps for the three years ending 31 December 2018 represent an estimated annual growth rate of 20% in the transaction volume calculated based on the estimated full year transaction amount between the Company and Dongbei Cares for the year 2016, which will amount to approximately RMB30,000,000. The proposed annual caps and the estimated 20% annual transaction volume growth rate are determined with reference to (i) the newly added technology support services between Dongbei Cares and the Company which will amount to approximately RMB15,000,000; (ii) the actual growth rate of approximately 12.3% of the PRC's gross passenger transportation volume for the first quarter of 2015 as compared with the corresponding period in the previous year; (iii) the anticipated annual growth of approximately 10.0% of the PRC's gross passenger transportation volume for the year 2015 as estimated by CAAC; (iv) the increasing demand of the civil aviation transportation market as influenced by various factors such as the "One Belt and One Road" strategy; (v) the expansion of the Dongbei Cares' businesses from time to time; and (vi) the expansion of the marketing and distribution of the products of the Company from time to time.

## **6. Services Framework Agreement with Xi'an Cares**

### *Parties*

- (i) The Company; and
- (ii) Xi'an Cares

### *Main terms and obligations*

Details of the main terms and obligations are set out in the sub-section headed "Main Terms under the Services Framework Agreement" below.

### *Historical Transaction Records*

Set out below are the aggregated amount of the continuing connected transaction between the Company and Xi'an Cares for the two years ended 31 December 2014 and six months ended 30 June 2015:

	<b>Year ended 31 December</b>		<b>Six months ended</b>
	<b>2013</b>	<b>2014</b>	<b>30 June 2015</b>
			(unaudited)
Transaction with Xi'an Cares under the Services Framework Agreement	RMB5,278,000 (equivalent to approximately HK\$6,597,500)	RMB5,902,000 (equivalent to approximately HK\$7,377,500)	RMB2,128,000 (equivalent to approximately HK\$2,660,000)

### *Annual Caps*

Set out below are the annual caps for the Services Framework Agreement with Xi'an Cares proposed for the three years ending 31 December 2018:

	<b>Year ending 31 December</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Transaction with Xi'an Cares under the Services Framework Agreement	RMB7,805,000 (equivalent to approximately HK\$9,756,250)	RMB8,976,000 (equivalent to approximately HK\$11,220,000)	RMB10,323,000 (equivalent to approximately HK\$12,903,750)

### *Basis of the Annual Caps*

The above annual caps for the three years ending 31 December 2018 represent an estimated annual growth rate of 15% in the transaction volume calculated based on the full year transaction amount between the Company and Xi'an Cares for the year 2014. The proposed annual caps and the estimated 15% annual transaction volume growth rate are determined with reference to (i) the annual growth rate of approximately 12.00% in the historical transaction amounts of such type of transactions between the Company and Xi'an Cares for the year ended 31 December 2014; (ii) the actual growth rate of approximately 12.3% of the PRC's gross passenger transportation volume for the first quarter of 2015 as compared with the corresponding period in the previous year; (iii) the anticipated annual growth of approximately 10.0% of the PRC's gross passenger transportation volume for the year 2015 as estimated by CAAC; (iv) the increasing demand of the civil aviation transportation market as influenced by various factors such as the "One Belt and One Road" strategy; (v) the expansion of the Xi'an Cares' businesses from time to time; and (vi) the expansion of the marketing and distribution of the products of the Company from time to time.

## 7. Services Framework Agreement with Hubei Cares

### *Parties*

- (i) The Company; and
- (ii) Hubei Cares

### *Main terms and obligations*

Details of the main terms and obligations are set out in the sub-section headed “Main Terms under the Services Framework Agreement” below.

### *Historical Transaction Records*

Set out below are the aggregated amount of the continuing connected transaction between the Company and Hubei Cares for the two years ended 31 December 2014 and six months ended 30 June 2015:

	<b>Year ended 31 December</b>		<b>Six months ended</b>
	<b>2013</b>	<b>2014</b>	<b>30 June 2015</b>
			(unaudited)
Transaction with Hubei Cares under the Services Framework Agreement	RMB6,335,000 (equivalent to approximately HK\$7,918,750)	RMB7,805,000 (equivalent to approximately HK\$9,756,250)	RMB4,442,000 (equivalent to approximately HK\$5,552,500)

### *Annual Caps*

Set out below are the annual caps for the Services Framework Agreement with Hubei Cares proposed for the three years ending 31 December 2018:

	<b>Year ending 31 December</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Transaction with Hubei Cares under the Services Framework Agreement	RMB14,239,000 (equivalent to approximately HK\$17,798,750)	RMB17,087,000 (equivalent to approximately HK\$21,358,750)	RMB20,504,000 (equivalent to approximately HK\$25,630,000)

### *Basis of the Annual Caps*

The above annual caps for the three years ending 31 December 2018 represent an estimated annual growth rate of 20% in the transaction volume calculated based on the full year transaction amount between the Company and Hubei Cares for the year 2014. The proposed annual caps and the estimated 20% annual transaction volume growth rate are determined with reference to (i) the anticipation that the technology support services between Hubei Cares and the Company under the Services Framework Agreement will increase to approximately RMB3,000,000; (ii) the annual growth rate of approximately 23.00% in the historical transaction amounts of such type of transactions between the Company and Hubei Cares for the year ended 31 December 2014; (iii) the actual growth rate of approximately 12.3% of the PRC's gross passenger transportation volume for the first quarter of 2015 as compared with the corresponding period in the previous year; (iv) the anticipated annual growth of approximately 10.0% of the PRC's gross passenger transportation volume for the year 2015 as estimated by CAAC; (v) the increasing demand of the civil aviation transportation market as influenced by various factors such as the "One Belt and One Road" strategy; (vi) the expansion of the Hubei Cares' businesses from time to time; and (vii) the expansion of the marketing and distribution of the products of the Company from time to time.

## **8. Services Framework Agreement with Yunnan Cares**

### *Parties*

- (i) The Company; and
- (ii) Yunnan Cares

### *Main terms and obligations*

Details of the main terms and obligations are set out in the sub-section headed "Main Terms under the Services Framework Agreement" below.

### *Historical Transaction Records*

Set out below are the aggregated amount of the continuing connected transaction between the Company and Yunnan Cares for the two years ended 31 December 2014 and six months ended 30 June 2015:

	<b>Year ended 31 December</b>		<b>Six months ended</b>
	<b>2013</b>	<b>2014</b>	<b>30 June 2015</b>
			(unaudited)
Transaction with Yunnan Cares under the Services Framework Agreement	RMB2,300,000 (equivalent to approximately HK\$2,875,000)	RMB2,781,000 (equivalent to approximately HK\$3,476,250)	RMB1,397,000 (equivalent to approximately HK\$1,746,250)

### *Annual Caps*

Set out below are the annual caps for the Services Framework Agreement with Yunnan Cares proposed for the three years ending 31 December 2018:

	<b>Year ending 31 December</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Transaction with Yunnan Cares under the Services Framework Agreement	RMB4,005,000 (equivalent to approximately HK\$5,006,250)	RMB4,806,000 (equivalent to approximately HK\$6,007,500)	RMB5,767,000 (equivalent to approximately HK\$7,208,750)

### *Basis of the Annual Caps*

The above annual caps for the three years ending 31 December 2018 represent an estimated annual growth rate of 20% in the transaction volume calculated based on the full year transaction amount between the Company and Yunnan Cares for the year 2014. The proposed annual caps and the estimated 20% annual transaction volume growth rate are determined with reference to (i) the annual growth rate of approximately 20.00% in the historical transaction amounts of such type of transactions between the Company and Yunnan Cares for the year ended 31 December 2014; (ii) the actual growth rate of approximately 12.3% of the PRC's gross passenger transportation volume for the first quarter of 2015 as compared with the corresponding period in the previous year; (iii) the anticipated annual growth of approximately 10.0% of the PRC's gross passenger transportation volume for the year 2015 as estimated by CAAC; (iv) the increasing demand of the civil aviation transportation market as influenced by various factors such as the "One Belt and One Road" strategy; (v) the expansion of the Yunnan Cares' businesses from time to time; and (vi) the expansion of the marketing and distribution of the products of the Company from time to time.

## 9. Services Framework Agreement with Qingdao Cares

### *Parties*

- (i) The Company; and
- (ii) Qingdao Cares

### *Main terms and obligations*

Details of the main terms and obligations are set out in the sub-section headed “Main Terms under the Services Framework Agreement” below.

### *Historical Transaction Records*

Set out below are the aggregated amount of the continuing connected transaction between the Company and Qingdao Cares for the two years ended 31 December 2014 and six months ended 30 June 2015:

	<b>Year ended 31 December</b>		<b>Six months ended</b>
	<b>2013</b>	<b>2014</b>	<b>30 June 2015</b>
			(unaudited)
Transaction with Qingdao Cares under the Services Framework Agreement	RMB4,909,000 (equivalent to approximately HK\$6,136,250)	RMB4,910,000 (equivalent to approximately HK\$6,137,500)	RMB3,329,000 (equivalent to approximately HK\$4,161,250)

### *Annual Caps*

Set out below are the annual caps for the Services Framework Agreement with Qingdao Cares proposed for the three years ending 31 December 2018:

	<b>Year ending 31 December</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Transaction with Qingdao Cares under the Services Framework Agreement	RMB6,493,000 (equivalent to approximately HK\$8,116,250)	RMB7,467,000 (equivalent to approximately HK\$9,333,750)	RMB8,588,000 (equivalent to approximately HK\$10,735,000)

### *Basis of the Annual Caps*

The above annual caps for the three years ending 31 December 2018 represent an estimated annual growth rate of 15% in the transaction volume calculated based on the full year transaction amount between the Company and Qingdao Cares for the year 2014. The proposed annual caps and the estimated 15% annual transaction volume growth rate are determined with reference to (i) the actual growth rate of approximately 12.3% of the PRC's gross passenger transportation volume for the first quarter of 2015 as compared with the corresponding period in the previous year; (ii) the anticipated annual growth of approximately 10.0% of the PRC's gross passenger transportation volume for the year 2015 as estimated by CAAC; (iii) the increasing demand of the civil aviation transportation market as influenced by various factors such as the "One Belt and One Road" strategy; (iv) the expansion of the Qingdao Cares' businesses from time to time; and (v) the expansion of the marketing and distribution of the products of the Company from time to time.

## **10. Services Framework Agreement with Huadong Cares**

### *Parties*

- (i) The Company; and
- (ii) Huadong Cares

### *Main terms and obligations*

Details of the main terms and obligations are set out in the sub-section headed "Main Terms under the Services Framework Agreement" below.

### *Historical Transaction Records*

Set out below are the aggregated amount of the continuing connected transaction between the Company and Huadong Cares for the two years ended 31 December 2014 and six months ended 30 June 2015:

	<b>Year ended 31 December</b>		<b>Six months ended</b>
	<b>2013</b>	<b>2014</b>	<b>30 June 2015</b>
			(unaudited)
Transactions with Huadong Cares under the Services Framework Agreement	RMB24,452,000 (equivalent to approximately HK\$30,565,000)	RMB27,343,000 (equivalent to approximately HK\$34,178,750)	RMB13,228,000 (equivalent to approximately HK\$16,535,000)

### *Annual Caps*

Set out below are the annual caps for the Services Framework Agreement with Huadong Cares proposed for the three years ending 31 December 2018:

	Year ending 31 December		
	2016	2017	2018
Transactions with Huadong Cares under the Services Framework Agreement	RMB36,161,000 (equivalent to approximately HK\$45,201,250)	RMB39,777,000 (equivalent to approximately HK\$49,721,250)	RMB43,755,000 (equivalent to approximately HK\$54,693,750)

### *Basis of the Annual Caps*

The above annual caps for the three years ending 31 December 2018 represent an estimated annual growth rate of 15% in the transaction volume calculated based on the full year transaction amount between the Company and Huadong Cares for the year 2014. The proposed annual caps and the estimated 15% annual transaction volume growth rate are determined with reference to (i) the annual growth rate of approximately 12.00% in the historical transaction amounts of such type of transactions between the Company and Huadong Cares for the year ended 31 December 2014; (ii) the actual growth rate of approximately 12.3% of the PRC's gross passenger transportation volume for the first quarter of 2015 as compared with the corresponding period in the previous year; (iii) the anticipated annual growth of approximately 10.0% of the PRC's gross passenger transportation volume for the year 2015 as estimated by CAAC; (iv) the increasing demand of the civil aviation transportation market as influenced by various factors such as the "One Belt and One Road" strategy; (v) the expansion of the Huadong Cares' businesses from time to time; and (vi) the expansion of the marketing and distribution of the products of the Company from time to time.

## **MAIN TERMS UNDER THE SERVICES FRAMEWORK AGREEMENT**

The main terms and obligations under each Services Framework Agreement are similar, which are as follows:

### **Services**

The relevant Service Company shall provide to the Company or its customers with technical training and maintenance services, and services in respect of sale of products, purchase of equipment, marketing and distribution of products of the Company including, among other things, (i) to build the network nodes of the computer system for civil aviation passengers transport service in the regions to be agreed by the Company and the relevant Service Company, and provide daily maintenance and technical supports to the terminals and communication equipment of the users of the computer system; (ii) to connect to the physical identified device (PID) of the Company for using the Company's data network services; (iii)



to provide maintenance and security service for the check-in and loading related technology in respect of the airport departure system of the Company used by airlines; and (iv) to provide marketing and distribution of products of the Company.

The Company shall, among other things, lease the main equipment required for the network nodes for use by the relevant Service Company and shall be responsible for the design of network configuration layout, installation, testing and repair of the equipment according to the needs of the relevant Service Company.

### **Term**

The Board has agreed to the extension of the term of each of relevant Services Framework Agreement from 1 January 2016 to 31 December 2018 upon the expiry of the existing term on 31 December 2015.

### **Service fees**

The basis of service fees are generally determined: (i) according to the rates prescribed by the government regulatory bodies (such as CAAC) where the relevant services are regulated by the government regulatory bodies; (ii) through negotiation between the Company and the relevant Service Company with reference to guide prices proposed by the government regulatory bodies; (iii) through negotiation between the Company and the relevant Service Company based on the comparable local market prices (if any) or the original prescribed government rates or guide prices, or set by the Company according to the cost to revenue principle, where no prescribed rates or guide prices are available, or they have been cancelled or are no longer applicable; and (iv) to comply with the ordinary business principle which are no less favourable to the Company than terms available from independent third parties.

- (i) With respect to connection to the Company's network and system, the relevant Service Company shall pay the Company periodically: (i) connection fees based on the usage and the fee standard determined by the Company with reference to a tiered pricing prescribed by CAAC subject to the maximum of RMB0.15 per transaction; (ii) PID technical service fees based on the usage and the fee standard determined by the Company subject to the maximum guidance price prescribed by CAAC of RMB200 per PID per month; and (iii) technical service fees for connection to the Company's mainframe via the Internet and use of the products of the Company based on the usage at the fee standard set by the Company or according to separate agreements to be entered into between the Company and the relevant Service Company on each product. The pricing of annual fees or initial installation fees of certain products is subject to the maximum of RMB30,000. The revenue generated from sale of products will be evenly shared by the Company and the relevant Service Company.
- (ii) With respect to equipment leasing and maintenance, (i) the relevant Service Company shall pay equipment lease fees (if any) on a price based on cost or at the comparable local market prices or according to separate agreements to be entered into between the Company and the relevant Service Company; and (ii) the Company shall pay the equipment maintenance fees based on approximately 10% to 15% of the procurement cost, or at the comparable local market prices or according to separate agreements to be entered into between the Company and the relevant Service Company.

- (iii) With respect to marketing and distribution of products of the Company, (i) the Company shall pay for technical extension services provided by the relevant Service Company to the users of the Company (if any) and such fees may be determined according to separate agreements to be entered into between the Company and the relevant Service Company; and (ii) the Company shall share the revenue from e-ticketing services with the relevant Service Company on a pro-rata basis according to comparable local market prices or pursuant to separate agreements to be entered into between the Company and the relevant Service Company; and (iii) the Company shall pay service fees for distribution of hotel services on a pro-rata basis or pursuant to separate agreements to be entered into between the Company and the relevant Service Company. The percentage of revenue shared to the relevant Service Company for marketing and distribution is determined with reference to the type of products and business, subject to the maximum of 80%. The value of the contract in relation to the technical training services is subject to the maximum of RMB500,000.
- (iv) With respect to technology development services, the Company shall pay technology development service fees (if any) for engaging the professional personnel from the relevant Service Company for provision of, amongst others, product development services and such fees may be determined according to separate agreements to be entered into between the Company and the relevant Service Company. Such technology development service fees may be determined with reference to the unit price of technical personnel after taking account of various factors including the local labour costs, the qualification and experience of personnel, and the workload and complexity of services, at a range from approximately RMB10,000 per person per month to approximately RMB40,000 per person per month, and dynamic adjustments may be made according to the actual market situations.

## **INTERNAL CONTROL AND MECHANISM TO REGULATE THE CONTINUING CONNECTED TRANSACTIONS UNDER THE SERVICES FRAMEWORK AGREEMENT**

To ensure that the continuing connected transactions are carried out in accordance with relevant regulatory guidelines and terms as disclosed herein and those to be agreed in the Services Framework Agreement, the Company has in place the following internal control procedures and mechanism:

For each type of services under the Services Framework Agreement 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 relevant regulatory guidelines, where applicable, and the market practice, and will not deviate from the terms of the Services Framework Agreement as disclosed herein. The performance of such agreements and the progress of transactions will also be supervised by internal departments of the Company.

Further, the auditors of the Company will conduct annual review of the continuing connected transactions to confirm 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.56 of the Listing Rules.

As such, the Company is of the view that it possesses adequate mechanism, internal control procedures and external supervision in place to ensure the continuing connected transactions are adherent and strictly followed in accordance with relevant regulatory guidelines and the terms of the Services Framework Agreement.

## **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

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.

The Service Companies are companies established by the Company and other parties for distributing the products of the Company and providing better services to customers in different regions. Therefore, the Company proposed to extend the term of each of the Services Framework Agreements.

The Directors (including the independent non-executive Directors) are of the view that the transaction under each Services Framework Agreement will be conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of each Services Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ABOUT THE COUNTERPARTY OF EACH SERVICES FRAMEWORK AGREEMENT**

Hainan Cares is principally engaged in provision of electronic travel distribution and cargo management services, and sale and installation of the related information systems. Hainan Cares is a non-wholly owned subsidiary of the Company owned as to 64.78% by the Company, 22.74% by Southern Holding, 4.16% by Air China, 4.16% by Hainan Airlines Company Limited (海南航空股份有限公司) and 4.16% by China Eastern Airlines Northwest Company (中國東方航空西北公司), a branch company of Eastern Airlines which is a subsidiary of Eastern Holding. As Southern Holding directly interested in more than 10% shareholding in Hainan Cares, Hainan Cares is a connected person of the Company pursuant to Rule 14A.07(5) of the Listing Rules.

Shenzhen Cares is principally engaged in provision of electronic travel distribution and cargo management services, and sale and installation of the related information systems. Shenzhen Cares is a non-wholly owned subsidiary of the Company owned as to 61.47% by the Company, 5.59% by Southern Holding, 5.59% by Air China, 5.59% by China Xinhua Airlines Company Limited (中國新華航空有限責任公司), 5.59% by Shenzhen Airlines Company Limited (深圳航空有限責任公司), 5.59% by Shenzhen Airport Company Limited (深圳市機場股份有限公司), 5.59% by China Southern Airlines (Group) Shenzhen Company (中國南方航空(集團)深圳分公司), a subsidiary of Southern Holding, and 5.00% by Sichuan Group. As Southern Holding directly and indirectly interested in more than 10% shareholding in Shenzhen Cares, Shenzhen Cares is a connected person of the Company pursuant to Rule 14A.07(5) of the Listing Rules.

Xiamen Cares is principally engaged in provision of computer software and hardware development and data network services. Xiamen Cares is a non-wholly owned subsidiary of the Company owned as to 51% by the Company, 28.5% by Xiamen Airlines Company Limited (廈門航空有限公司), and 20.5% by Xiamen International Aviation Company Limited (廈門國際航空港股份有限公司). Xiamen Airlines Company Limited is a subsidiary of Southern Holding. As Southern Holding indirectly interested in more than 10% shareholding in Xiamen Cares, Xiamen Cares is a connected person of the Company pursuant to Rule 14A.07(5) of the Listing Rules.

Xinjiang Cares is principally engaged in provision of computer software and hardware development and data network services. Xinjiang Cares is a non-wholly owned subsidiary of the Company owned as to 51% by the Company, 24.5% by Xinjiang Airport Group Company Limited (新疆機場集團有限責任公司), and 24.5% by Southern Holding. As Southern Holding directly interested in more than 10% shareholding in Xinjiang Cares, Xinjiang Cares is a connected person of the Company pursuant to Rule 14A.07(5) of the Listing Rules.

Dongbei Cares is principally engaged in provision of computer software and hardware development and data network services. Dongbei Cares is owned as to 46% by the Company, 42% by Southern Holding, and 12% by Liaoning Airport Management Group Company (遼寧省機場管理集團公司). As an associate of Southern Holding, Dongbei Cares is a connected person of the Company under Rule 14A.07(4) of the Listing Rules.

Xi'an Cares is principally engaged in provision of computer software and hardware development and data network services. Xi'an Cares is a non-wholly owned subsidiary of the Company owned as to 51% by the Company, 32% by China Eastern Airlines Northwest Company (中國東方航空西北公司) which is a branch company of Eastern Airlines, and 17% by China West Airport Group (西部機場集團). As Eastern Holding indirectly interested in more than 10% shareholding in Xi'an Cares, Xi'an Cares is a connected person of the Company pursuant to Rule 14A.07(5) of the Listing Rules.

Hubei Cares is principally engaged in provision of electronic travel distribution, airport passenger processing and cargo management services, and sale and installation of the related information systems. Hubei Cares is a non-wholly owned subsidiary of the Company owned as to 50% by the Company, 12.5% by Shenzhen Cares (a non-wholly owned subsidiary of the Company), 12.5% by Eastern Wuhan, 12.5% by Committee of Labour Union of Wubei Branch China Southern Airlines Company Limited (中國南方航空股份有限公司湖北分公司工會委員會), 12.5% by Wuhan Tianhe Airport Limited (武漢天河機場有限責任公司). As Eastern Holding indirectly interested in more than 10% shareholding in Hubei Cares, Hubei Cares is a connected person of the Company pursuant to Rule 14A.07(5) of the Listing Rules.

Yunnan Cares is principally engaged in provision of computer software and hardware development and data network services. Yunnan Cares is a non-wholly owned subsidiary of the Company owned as to 51% by the Company and 49% by Eastern Airlines. As Eastern Holding indirectly interested in more than 10% shareholding in Yunnan Cares, Yunnan Cares is a connected person of the Company pursuant to Rule 14A.07(5) of the Listing Rules.

Qingdao Cares is principally engaged in provision of computer software and hardware development and data network services. Qingdao Cares is a non-wholly owned subsidiary of the Company owned as to 51% by the Company, 36% by Qingdao International Airport Company (青島國際機場集團有限公司) and 13% by Huadong Cares which is owned as to 41% by Eastern Airlines. As Eastern Holding indirectly interested in more than 10% shareholding in Qingdao Cares, Qingdao Cares is a connected person of the Company pursuant to Rule 14A.07(5) of the Listing Rules.

Huadong Cares is principally engaged in provision of computer software and hardware development and data network services. Huadong Cares is owned as to 41% by the Company, 41% by Eastern Airlines and 18% by Shanghai International Airport Company Limited (上海國際機場股份有限公司). As an associate of Eastern Holding, Huadong Cares is a connected person of the Company under Rule 14A.07(4) of the Listing Rules.

### **IMPLICATIONS UNDER THE LISTING RULES OF EACH SERVICES FRAMEWORK AGREEMENT**

Since each of the applicable Percentage Ratios with reference to the largest annual cap for the transaction under the respective Services Framework Agreement with Hainan Cares, Shenzhen Cares, Xiamen Cares, Xinjiang Cares and Dongbei Cares in aggregate is more than 0.1% but less than 5%, the transactions contemplated under such Services Framework Agreements constitute continuing connected transactions subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since each of the applicable Percentage Ratios with reference to the largest annual cap for the transaction under the respective Services Framework Agreement with Xi'an Cares, Hubei Cares, Yunnan Cares, Qingdao Cares or Huadong Cares in aggregate is more than 0.1% but less than 5%, the transactions contemplated under such Services Framework Agreements constitute continuing connected transactions subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Xiao Yinhong has abstained from voting on the respective Services Framework Agreement with Qingdao Cares as he is a director of Qingdao Cares. Mr. Wang Quanhua has abstained from voting on the respective Services Framework Agreement with Hainan Cares, Shenzhen Cares, Xiamen Cares, Xinjiang Cares and Dongbei Cares as he is an employee of Southern Holding. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Services Framework Agreements respectively and none of them has abstained from voting on the relevant Board resolutions.



## DEFINITIONS

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

“Air China”	中國國際航空股份有限公司 (Air China Limited*), a subsidiary of 中國航空集團公司 (China National Aviation Holding Company*) as at the date of this announcement
“associate(s)”	have the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CAAC”	Civil Aviation Administration of China (中國民用航空局)
“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
“Directors”	the directors of the Company
“Dongbei Cares”	瀋陽民航東北凱亞有限公司 (Shenyang Civil Aviation Cares of Northeast China, Ltd.*)
“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
“Eastern Wuhan”	中國東方航空武漢有限責任公司 (China Eastern Airlines Wuhan Company Limited*), a subsidiary of Eastern Holding as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hainan Cares”	海南民航凱亞有限公司 (Hainan Civil Aviation Cares Co., Ltd.*)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region

“Huadong Cares”	上海民航華東凱亞系統集成有限公司 (Shanghai Civil Aviation East China Cares System Integration Co., Ltd.*)
“Hubei Cares”	湖北民航凱亞有限公司 (Cares Hubei Co., Ltd.*)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Percentage Ratios”	the percentage ratios under Rule 14A.06 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
“Qingdao Cares”	青島民航凱亞系統集成有限公司 (Civil Aviation Cares of Qingdao Limited*)
“RMB”	Renminbi, the lawful currency of the PRC
“Service Company”	Hainan Cares, Shenzhen Cares, Xiamen Cares, Xinjiang Cares, Dongbei Cares, Xi’an Cares, Hubei Cares, Yunnan Cares, Qingdao Cares or Huadong Cares, and “Service Companies” shall be construed accordingly
“Services Framework Agreement”	the Services Framework Agreement dated 31 August 2012 entered into between the Company and each of the relevant Service Companies and renewed on 27 August 2015 for a term of three years ending 31 December 2018 in relation to the provision of technical training and maintenance services, and services in respect of sale of products, purchase of equipment, marketing and distribution of products of the Company, and “Services Framework Agreements” shall be construed accordingly
“Shareholder(s)”	the shareholders of the Company
“Shenzhen Cares”	深圳民航凱亞有限公司 (Cares Shenzhen Co., Ltd.*)
“Sichuan Group”	Sichuan Air Group Company (四川航空集團公司)
“Southern Holding”	中國南方航空集團公司 (China Southern Air Holding Company*), a substantial shareholder of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xiamen Cares”	廈門民航凱亞有限公司 (Civil Aviation Cares of Xiamen Ltd.*)

“Xi’an Cares”	西安民航凱亞科技有限公司 (Civil Aviation Cares of Xi’an Ltd.*)
“Xinjiang Cares”	新疆民航凱亞信息網絡有限責任公司 (Civil Aviation Cares Technology of Xinjiang Ltd.*)
“Yunnan Cares”	雲南民航凱亞信息有限公司 (Aviation Cares of Yunnan Information Co., Ltd.*)
“%”	per cent

\* *for identification purpose only*

*For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.25 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**  
**Yu Xiaochun**  
*Company Secretary*

Beijing, PRC, 27 August 2015

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

*Executive Directors: Mr. Cui Zhixiong and Mr. Xiao Yinhong;*

*Non-executive Directors: Mr. Wang Quanhua and Mr. Cao Jianxiong;*

*Independent non-executive Directors: Mr. Cheung Yuk Ming, Mr. Pan Chongyi and Mr. Zhang Hainan*