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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)**

**ANNOUNCEMENT**  
**DISCLOSEABLE TRANSACTIONS**  
**FORMATION OF JOINT VENTURES**

The Board is pleased to announce that on 20 May 2016, the Company entered into CMRH Life Share Subscription Agreement with Other CMRH Life Parties in relation to the establishment of CMRH Life. On the same date, the Company also entered into CMRH P&C Share Subscription Agreement with Other CMRH P&C Parties in relation to the establishment of CMRH P&C.

As the highest applicable Percentage Ratio calculated with reference to the formation of CMRH Life and CMRH P&C contemplated under the CMRH Life Share Subscription Agreement and the CMRH P&C Share Subscription Agreement, on an aggregated basis, exceeds than 5% but is less than 25%, such transactions constitute discloseable transactions of the Company and are subject to the announcement requirement but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

**I. INTRODUCTION**

The Board is pleased to announce that on 20 May 2016, the Company entered into CMRH Life Share Subscription Agreement with Other CMRH Life Parties in relation to the establishment of CMRH Life. On the same date, the Company also entered into CMRH P&C Share Subscription Agreement with Other CMRH P&C Parties in relation to the establishment of CMRH P&C.

**II. CMRH LIFE SHARE SUBSCRIPTION AGREEMENT**

The principal terms of the CMRH Life Share Subscription Agreement are set out below:

**Date**

20 May 2016

## **Parties**

- (a) the Company;
- (b) China Merchants Finance Investment;
- (c) China Mobile;
- (d) Shenzhen Investment Holdings;
- (e) Qianhai Financial Holdings;
- (f) Shenzhen Excellence;
- (g) Shenzhen Brightoil; and
- (h) IZP (Beijing) Technology.

(the parties mentioned in (a) to (h) above, collectively refer to “**CMRH Life Parties**”; the parties mentioned in (b) to (h) above, collectively refer to “**Other CMRH Life Parties**”)

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Other CMRH Life Parties and their respective ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company as defined under the Listing Rules.

## **Business Scope**

CMRH Life is to be established in the PRC. Subject to relevant approvals and permissions from the relevant PRC authorities (including the CIRC) in accordance with applicable laws and regulations in the PRC, the scope of business of CMRH Life primarily includes common type insurance (including life insurance and annuity insurance), health insurance, accident insurance, participating insurance, universal insurance, reinsurance of the abovementioned insurances, operation of insurance funds as permitted by laws and regulations of the PRC, and other businesses as approved by the CIRC.

## Capital Contribution

The registered capital of CMRH Life shall be RMB5 billion, which will be contributed by the CMRH Life Parties in cash as follows:

<b>Party</b>	<b>Capital contribution (RMB)</b>	<b>Number of shares held (shares)</b>	<b>Percentage of equity interest in CMRH Life</b>
the Company	875,000,000	875,000,000	17.5%
China Merchants Finance Investment	1,000,000,000	1,000,000,000	20%
China Mobile	1,000,000,000	1,000,000,000	20%
Shenzhen Investment Holdings	750,000,000	750,000,000	15%
Qianhai Financial Holdings	250,000,000	250,000,000	5%
Shenzhen Excellence	500,000,000	500,000,000	10%
Shenzhen Brightoil	375,000,000	375,000,000	7.5%
IZP (Beijing) Technology	250,000,000	250,000,000	5%
<b>Total</b>	<b>5,000,000,000</b>	<b>5,000,000,000</b>	<b>100%</b>

The aforementioned capital contribution is arrived at after arm's length negotiations among the CMRH Life Parties with reference to, among others, the initial capital requirements of CMRH Life.

Subject to the fulfilment or waiver (if applicable) of the conditions precedent under the CMRH Life Share Subscription Agreement, the capital contribution shall be paid by the CMRH Life Parties in one instalment within one month upon receipt of such written notice.

The capital contribution to be made by the Company will be funded by its own funds.

Expenses incurred to CMRH Life during its preparation stage but before its formation (the "CMRH Life Upfront Fee") shall be paid in advance by the CMRH Life Parties. Each of the CMRH Life Parties shall pay the CMRH Life Upfront Fee at a rate of 0.5% based on the capital contribution undertaken by them respectively within 60 days after the execution of the CMRH Life Share Subscription Agreement unless otherwise specified in the CMRH Life Share Subscription Agreement. CMRH Life shall reimburse the actually paid CMRH Life Upfront Fee to each of the CMRH Life Parties as soon as reasonably practicable upon its formation. If the CMRH Life Share Subscription Agreement terminates, the balance of the CMRH Life Upfront Fee shall be returned to each of the CMRH Life Parties in proportion to their respective shareholding in CMRH Life after the incurred CMRH Life Upfront Fee having been audited.

## **Conditions Precedent**

The formation of CMRH Life is conditional upon, among other things, the approval by the CIRC and the completion of all other applicable approval procedures, whether internal or external, by the CMRH Life Parties, including the approval from the SASAC obtained by the Company.

### **III. CMRH P&C SHARE SUBSCRIPTION AGREEMENT**

The principal terms of the CMRH P&C Share Subscription Agreement are set out below:

#### **Date**

20 May 2016

#### **Parties**

- (a) the Company;
- (b) China Merchants Finance Investment;
- (c) China Mobile;
- (d) Shenzhen Investment Holdings;
- (e) Kehuitong;
- (f) Qianhai Financial Holdings;
- (g) Shenzhen Brightoil;
- (h) Shenzhen Excellence; and
- (i) IZP (Beijing) Technology.

(the parties mentioned in (a) to (i) above, collectively refer to “**CMRH P&C Parties**”; the parties mentioned in (b) to (i) above, collectively refer to “**Other CMRH P&C Parties**”)

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Other CMRH P&C Parties and their respective ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company as defined under the Listing Rules.

## Business Scope

CMRH P&C is to be established in the PRC. Subject to relevant approvals and permissions from the relevant PRC authorities (including the CIRC) in accordance with applicable laws and regulations in the PRC, the scope of business of CMRH P&C primarily includes motor vehicle insurance (including compulsory traffic accident liability insurance for motor vehicle and motor vehicle commercial insurance), enterprise/household property insurance and engineering insurance (excluding special risk insurance), liability insurance, hull/cargo insurance, short-term health and accident insurance, reinsurance of the abovementioned insurances, operation of insurance funds as permitted by laws and regulations of the PRC, and other businesses as approved by the CIRC.

## Capital Contribution

The registered capital of CMRH P&C shall be RMB5 billion, which will be contributed by the CMRH P&C Parties as follows:

Party	Capital contribution (RMB)	Number of shares held (shares)	Percentage of equity interest in CMRH P&C
the Company	875,000,000	875,000,000	17.5%
China Merchants Finance Investment	1,000,000,000	1,000,000,000	20%
China Mobile	1,000,000,000	1,000,000,000	20%
Shenzhen Investment Holdings	750,000,000	750,000,000	10%
Kehuitong	250,000,000	250,000,000	5%
Qianhai Financial Holdings	250,000,000	250,000,000	5%
Shenzhen Brightoil	500,000,000	500,000,000	10%
Shenzhen Excellence	375,000,000	375,000,000	7.5%
IZP (Beijing) Technology	250,000,000	250,000,000	5%
<b>Total</b>	<b>5,000,000,000</b>	<b>5,000,000,000</b>	<b>100%</b>

The aforementioned capital contribution is arrived at after arm's length negotiations among the CMRH P&C Parties with reference to, among others, the initial capital requirements of CMRH P&C.

Subject to the fulfilment or waiver (if applicable) of the conditions precedent under the CMRH P&C Share Subscription Agreement, the capital contribution shall be paid by the CMRH P&C Parties in one instalment within one month upon receipt of such written notice.

The capital contribution to be made by the Company will be funded by its own funds.

Expenses incurred to CMRH P&C during its preparation stage but before its formation (the “**CMRH P&C Upfront Fee**”) shall be paid in advance by the CMRH P&C Parties. Each of the CMRH P&C Parties shall pay the CMRH P&C Upfront Fee at a rate of 0.5% based on the capital contribution undertaken by them respectively within 60 days after the execution of the CMRH P&C Share Subscription Agreement unless otherwise specified in the CMRH P&C Share Subscription Agreement. CMRH P&C shall reimburse the actually paid CMRH P&C Upfront Fee to each of the CMRH P&C Parties as soon as reasonably practicable upon its formation. If the CMRH P&C Share Subscription Agreement terminates, the balance of the CMRH P&C Upfront Fee shall be returned to each of the CMRH P&C Parties in proportion to their respective shareholding in CMRH P&C after the incurred CMRH P&C Upfront Fee having been audited.

### **Conditions Precedent**

The formation of CMRH P&C is conditional upon, among other things, the approval by the CIRC and the completion of all other applicable approval procedures, whether internal or external, by the CMRH P&C Parties including the approval from the SASAC obtained by the Company.

## **IV. OTHER UNDERTAKINGS OF THE COMPANY**

On the same day, each of the CMRH Life Parties and the CMRH P&C Parties have entered into the respective shareholders agreements, pursuant to which, the Company has agreed to give up its partial or entire pre-emptive rights to subscribe for additional shares of CMRH Life and CMRH P&C, which may be offered on or after the third anniversary of the business operation date of CMRH Life and CMRH P&C, respectively. Upon completion of the possible aforementioned capital increase, each of the equity interests held by the Company in CMRH Life and CMRH P&C will probably be diluted from 17.5% to the proportion as agreed by the CMRH Life Parties and the CMRH P&C Parties respectively, but not lower than 7%. Pursuant to such respective shareholders agreements, the subscription price for additional shares shall be determined on an arm’s length basis with unanimous consent from, respectively, all of the CMRH Life Parties and all of CMRH P&C Parties. The Company will determine the acceptable range of the subscription price based on the principle that the value of the investment on state-owned assets should be maintained and increased, coupled with the market and economic situation as well as the Company’s own needs at that time.

## **V. REASONS FOR AND BENEFITS OF THE FORMATION OF CMRH LIFE AND CMRH P&C**

The Company believes that it will bring satisfactory gains through participating in the formation of CMRH Life and CMRH P&C, which is a sound investment for the Group.

The Directors consider that the CMRH Life Share Subscription Agreement and the CMRH P&C Share Subscription Agreement and the formation of CMRH Life and CMRH P&C contemplated thereunder have been made on normal commercial terms and that such terms are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

## **VI. IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable Percentage Ratio calculated with reference to the formation of CMRH Life and CMRH P&C contemplated under the CMRH Life Share Subscription Agreement and the CMRH P&C Share Subscription Agreement, on an aggregated basis, exceeds 5% but is less than 25%, such transactions constitute discloseable transactions of the Company and are subject to the announcement requirement but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

CMRH Life and CMRH P&C will not become subsidiaries of the Company after their formation respectively.

## **VII. 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 the provision of accounting, settlement and clearing services and information system development and support services to domestic and worldwide airline companies.

### **Information on other parties**

China Merchants Finance Investment is principally engaged in the investment of industrial enterprises, the domestic commerce, supply and sales of commodities and materials (excluding franchised, controlled and exclusive commodities).

China Mobile is principally engaged in the provision of basic telecommunications services, value-added telecommunication services, other services related to telecommunications, etc.

Shenzhen Investment Holdings is principally engaged in the investment, operation and management of equity interests, and the development and operation real-estate, etc.

Qianhai Financial Holdings is principally engaged in the investment in licensed financial institutions, innovative financial services and trading centres, and various categories of funds.

Shenzhen Brightoil is principally engaged in oil storage & terminal facilities, marine transportation, international trading and bunkering, refined oil wholesale and retail, E-commerce, etc.

Shenzhen Excellence is principally engaged in the businesses related to venture capital, as well as the provision of venture capital-related value-added services, etc.

IZP (Beijing) Technology is principally engaged in the Big Data, cross-border trade, etc.

Kehuitong is principally engaged in the investment and development of industrial enterprises, property management and property lease, etc.

## VIII. DEFINITIONS

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

“Board”	the board of Directors
“China Merchants Finance Investment”	China Merchants Finance Investment Holdings Co.,Ltd.* (深圳市招融投資控股有限公司), a company incorporated in the PRC with limited liability
“China Mobile”	China Mobile Communications Corporation* (中國移動通信集團公司), a state-owned enterprise established under the laws of the PRC
“CIRC”	China Insurance Regulatory Commission and the dispatched offices thereof (中國保險監督管理委員會及其派出機構)
“CMRH Life”	China Merchants RenHe Life Insurance Company Limited* (招商局仁和人壽保險股份有限公司), a company to be incorporate in the PRC pursuant to the CMRH Life Share Subscription Agreement
“CMRH Life Share Subscription Agreement”	the share subscription agreement dated 20 May 2016 entered into among the Company and Other CMRH Life Parties in relation to the formation of CMRH Life
“CMRH P&C”	China Merchants RenHe Property and Casualty Insurance Company Limited* (招商局仁和財產保險股份有限公司), a company to be incorporate in the PRC pursuant to the CMRH P&C Share Subscription Agreement



“CMRH P&C Share Subscription Agreement”	the share subscription agreement dated 20 May 2016 entered into among the Company and Other CMRH P&C Parties in relation to the formation of CMRH P&C
“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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“IZP (Beijing) Technology”	IZP (Beijing) Technology Co.,Ltd.* (億贊普 (北京) 科技有限公司), a company incorporated in the PRC with limited liability
“Kehuitong”	Shenzhen Kehuitong Investment Holdings Co., Ltd.* (深圳市科匯通投資控股有限公司), a company incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Percentage Ratio”	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
“Qianhai Financial Holdings”	Shenzhen Qianhai Financial Holdings Co.,Ltd.* (深圳市前海金融控股有限公司), a company incorporated in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會)
“Shenzhen Brightoil”	Shenzhen Brightoil Group Co., Ltd.* (深圳光匯石油集團股份有限公司), a joint stock company incorporated in the PRC with limited liability

“Shenzhen Investment Holdings”	Shenzhen Investment Holdings Co.,Ltd.* (深圳市投資控股有限公司), a company incorporated in the PRC with limited liability
“Shenzhen Excellence”	Shenzhen Excellence Venture Capital Co., Ltd. * (深圳市卓越創業投資有限責任公司), a company incorporated in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules
“%”	per cent

\* *for identification purposes only*

By order of the Board  
**TravelSky Technology Limited**  
**Cui Zhixiong**  
*Chairman*

Beijing, the People’s Republic of China

20 May 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. Cheung Yuk Ming, Mr. Cao Shiqing and Dr. Ngai Wai Fung.*