

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國民航信息網絡股份有限公司
TravelSky Technology Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00696)

REVISION OF ANNUAL CAPS UNDER THE QINGDAO CARES SERVICES FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 27 August 2015 in relation to, among other things, the extension of the term of the Qingdao Cares Services Framework Agreement with Qingdao Cares and the proposed annual caps for the three years ending 31 December 2018 for the transaction contemplated under the Qingdao Cares Services Framework Agreement. Pursuant to the agreement, Qingdao Cares shall provide the Company 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.

Based on the Company's current operation plan, it is expected that the technology research and development cooperation between the Company and Qingdao Cares will be strengthened, which in turn will increase the transaction amounts under the Qingdao Cares Services Framework Agreement. Taking this into account, the Company estimated that each of the original annual caps for the three years ending 31 December 2018 under the Qingdao Cares Services Framework Agreement is likely to be exceeded. As such, on 18 October 2016, the Board revised the aforementioned annual caps accordingly.

Qingdao Cares is a connected person of the Company under the Listing Rules. Since the highest applicable Percentage Ratio calculated with reference to the revised annual caps for the three years ending 31 December 2018 under the Qingdao Cares Services Framework Agreement is more than 0.1% but less than 5%, the revision of annual caps thereunder is only subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

I. BACKGROUND

Reference is made to the announcement of the Company dated 27 August 2015 in relation to, among other things, the extension of the term of the Qingdao Cares Services Framework Agreement with Qingdao Cares and the proposed annual caps for the three years ending 31 December 2018 for the transaction contemplated under the Qingdao Cares Services Framework Agreement. Pursuant to the agreement, Qingdao Cares shall provide the Company 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.

II. ORIGINAL ANNUAL CAPS UNDER THE QINGDAO CARES SERVICES FRAMEWORK AGREEMENT

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

	Year ending 31 December		
	2016	2017	2018
Transaction under the Qingdao Cares Services Framework Agreement	RMB6,493,000 (equivalent to approximately HK\$7,596,810)	RMB7,467,000 (equivalent to approximately HK\$8,736,390)	RMB8,588,000 (equivalent to approximately HK\$10,047,960)

III. REVISED ANNUAL CAPS UNDER THE QINGDAO CARES SERVICES FRAMEWORK AGREEMENT

Based on the Company's current operation plan, it is expected that the technology research and development cooperation between the Company and Qingdao Cares will be strengthened, which in turn will increase the transaction amounts under the Qingdao Cares Services Framework Agreement. Taking this into account, the Company estimated that each of the original annual caps for the three years ending 31 December 2018 under the Qingdao Cares Services Framework Agreement is likely to be exceeded. As such, on 18 October 2016, the Board revised the aforementioned annual caps accordingly.

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

	Year ending 31 December		
	2016	2017	2018
Transaction under the Qingdao Cares Services Framework Agreement	RMB8,500,000 (equivalent to approximately HK\$9,945,000)	RMB9,775,000 (equivalent to approximately HK\$11,436,750)	RMB11,241,000 (equivalent to approximately HK\$13,151,970)

The aforementioned revised annual caps under the Qingdao Cares Services Framework Agreement are determined with reference to the following factors:

- (i) the historical transaction amounts for the three years ended 31 December 2015 and the eight months ended 31 August 2016 as shown in the table below:

	Year ended 31 December			Eight months ended 31 August 2016 (unaudited)
	2013	2014	2015	
Transaction under the Qingdao Cares Services Framework Agreement	RMB4,909,000 (equivalent to approximately HK\$5,743,530)	RMB4,910,000 (equivalent to approximately HK\$5,744,700)	RMB5,589,000 (equivalent to approximately HK\$6,539,130)	RMB5,045,700 (equivalent to approximately HK\$5,903,469)

- (ii) the increasing business demand of the Company for the relevant technology services under the Qingdao Cares Services Framework Agreement.

The Board further confirms that the original annual cap for the year ending 31 December 2016 under the Qingdao Cares Services Framework Agreement has not yet been exceeded as at the date of this announcement.

IV. IMPLICATIONS UNDER THE LISTING RULES

Qingdao Cares is a non-wholly-owned subsidiary of the Company, which is 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 Shanghai Civil Aviation East China Cares System Integration Co., Ltd.* (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.* is owned as to 41% by Eastern Airlines. Eastern Airlines is a subsidiary of Eastern Holding, and Eastern Holding is a substantial shareholder of the Company as at the date of this announcement. Qingdao Cares is therefore a connected person of the Company under the Listing Rules. As such, the transaction contemplated under the Qingdao Cares Services Framework Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

Since the highest applicable Percentage Ratio calculated with reference to the revised annual caps for the three years ending 31 December 2018 under the Qingdao Cares Services Framework Agreement is more than 0.1% but less than 5%, the revision of annual caps thereunder is only subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Li Yangmin, a non-executive Director, has abstained from voting on the resolution in relation to the revision of annual caps under the Qingdao Cares Services Framework Agreement as he is a director of Eastern Airlines. Save as disclosed above, none of the Directors has a material interest in the revision of annual caps and the transaction contemplated under the Qingdao Cares Services Framework Agreement and none of them has abstained from voting on the relevant Board resolution.

V. 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 Qingdao Cares

Qingdao Cares is principally engaged in provision of computer software and hardware development and data network services.

VI. DEFINITIONS

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

“Board”	the board of Directors
“Company”	TravelSky Technology Limited, a company incorporated under the laws of the PRC whose shares are listed on the Main Board of the Stock Exchange and whose American depositary shares are traded on the over-the-counter market in the United States of America
“connected person”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) 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
“Eastern Holding”	中國東方航空集團公司(China Eastern Air Holding Company*), a substantial shareholder of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Percentage Ratio”	the percentage ratio 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, the Macau Special Administrative Region and Taiwan
“Qingdao Cares”	青島民航凱亞系統集成有限公司 (Civil Aviation Cares of Qingdao Limited*)
“Qingdao Cares Services Framework Agreement”	the services framework agreement entered into on 31 August 2012 between the Company and Qingdao Cares 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
“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”	has the same meaning as ascribed to it 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
18 October 2016

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

<i>Executive Directors:</i>	<i>Mr. Cui Zhixiong (Chairman) and Mr. Xiao Yinhong;</i>
<i>Non-executive Directors:</i>	<i>Mr. Cao Jianxiong, Mr. Li Yangmin and Mr. Yuan Xin’an;</i>
<i>Independent non-executive Directors:</i>	<i>Mr. Cao Shiqing, Dr. Ngai Wai Fung and Mr. Liu Xiangqun.</i>