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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 TECHNOLOGY SERVICES PROVISION AGREEMENTS**

On 19 December 2013, the Company entered into the China Cargo Technology Services Provision Agreement with China Cargo, pursuant to which the Company has agreed to provide China Cargo the air freight logistics system services, which mainly include computer management technology services for air freight business, including services for computer management of flights, routings, space, reservations, ratings, sales, warehouse and claims and settlement, etc., as well as the relevant technology supports. On the same day, the Company also entered into the Eastern Logistics Technology Services Provision Agreement with Eastern Logistics to provide the same technology services. The principal terms of the abovementioned two technology services provision agreements are substantially the same.

China Cargo and Eastern Logistics are connected persons of the Company pursuant to Rule 14A.11(4) of the Listing Rules. As such, the China Cargo Technology Services Provision Agreement and the Eastern Logistics Technology Services Provision Agreement constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the aggregated annual caps under the China Cargo Technology Services Provision Agreement and the Eastern Logistics Technology Services Provision Agreement is more than 0.1% but less than 5%, the transactions contemplated under the China Cargo Technology Services Provision Agreement and the Eastern Logistics Technology Services Provision Agreement 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.

## **TECHNOLOGY SERVICES PROVISION AGREEMENTS**

On 19 December 2013, the Company entered into the China Cargo Technology Services Provision Agreement with China Cargo, pursuant to which the Company has agreed to provide China Cargo the air freight logistics system services, which mainly include computer management technology services for air freight business, including services for computer management of flights, routings, space, reservations, ratings, sales, warehouse and claims and settlement, etc., as well as the relevant technology supports. On the same day, the Company also entered into the Eastern Logistics Technology Services Provision Agreement with Eastern Logistics to provide the same technology services. The principal terms of the abovementioned two technology services provision agreements are substantially the same, further details of which are set out as follows:

Date: 19 December 2013

Scope of work: The Company will provide air freight logistics system services, which mainly include computer management technology services for air freight business, including services for computer management of flights, routings, space, reservations, ratings, sales, warehouse and claims and settlement, etc., as well as the relevant technology supports.

Pricing of fees: The service fees for the technology services include (i) fees for each waybill handled by the air freight logistics system up to a maximum allowable price of RMB6 for international and regional routes and up to a maximum allowable price of RMB2.5 for domestic routes depending on the types of waybills; and (ii) other miscellaneous fees, including but not limited to communication fees.

Such fees will be payable by China Cargo/Eastern Logistics in cash every two months.

The fees were determined and agreed between the parties on an arm's length basis based on the market price of services of a similar kind.

Term: 1 January 2014 to 31 December 2016

## ANNUAL CAPS FOR THE TECHNOLOGY SERVICES PROVISION

The Board announces that the Company has calculated the annual caps for the three years ending 31 December 2016 under the China Cargo Technology Services Provision Agreement and the Eastern Logistics Technology Services Provision Agreement, which are set out below:

	Year ending 31 December		
	2014	2015	2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
the fees payable by China Cargo	6,000 (equivalent to approximately HK\$7,620,000)	6,600 (equivalent to approximately HK\$8,382,000)	7,260 (equivalent to approximately HK\$9,220,200)
the fees payable by Eastern Logistics	15,000 (equivalent to approximately HK\$19,050,000)	16,500 (equivalent to approximately HK\$20,955,000)	18,150 (equivalent to approximately HK\$23,050,500)

There is no previous transaction of this kind between the Company and China Cargo as at the date of this announcement. The annual caps in respect of the fees payable by China Cargo for the three years ending 31 December 2016 are determined with reference to (i) the estimated annual growth rate of 10% in the transaction volume taking into account the anticipated growth of the PRC's air freight logistics industry; and (ii) the business volume of the relevant air freight logistics business of China Cargo estimated by the Company.

There is no previous transaction of this kind between the Company and Eastern Logistics as at the date of this announcement. The annual caps in respect of the fees payable by Eastern Logistics for the three years ending 31 December 2016 are determined with reference to (i) the estimated annual growth rate of 10% in the transaction volume taking into account the anticipated growth of the PRC's air freight logistics industry; and (ii) the business volume of the relevant air freight logistics business of Eastern Logistics estimated by the Company.

## THE REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS

The provision of the air freight logistics system services under the China Cargo Technology Services Provision Agreement and the Eastern Logistics Technology Services Provision Agreement 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 (including the independent non-executive Directors) are of the view that the transactions under the China Cargo Technology Services Provision Agreement and the Eastern Logistics Technology Services Provision Agreement will be 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.

## **IMPLICATIONS UNDER THE LISTING RULES**

China Cargo and Eastern Logistics are both subsidiaries of Eastern Airlines as at the date of this announcement. Eastern Airlines is a subsidiary of Eastern Holding. Eastern Holding is a substantial shareholder of the Company. China Cargo and Eastern Logistics are therefore connected persons of the Company pursuant to Rule 14A.11(4) of the Listing Rules. As such, the China Cargo Technology Services Provision Agreement and the Eastern Logistics Technology Services Provision Agreement constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the aggregated annual caps under the China Cargo Technology Services Provision Agreement and the Eastern Logistics Technology Services Provision Agreement is more than 0.1% but less than 5%, the transactions contemplated under the China Cargo Technology Services Provision Agreement and the Eastern Logistics Technology Services Provision Agreement 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. Cai, Kevin Yang has abstained from voting on the China Cargo Technology Services Provision Agreement and the Eastern Logistics Technology Services Provision Agreement as he is the chief information officer of Eastern Airlines. Except for the above, none of the Directors has a material interest in the transactions contemplated under the China Cargo Technology Services Provision Agreement and the Eastern Logistics Technology Services Provision Agreement and the relevant annual caps, and none of them has abstained from voting on the relevant Board resolutions.

## **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 China Cargo and Eastern Logistics**

Both China Cargo and Eastern Logistics are principally engaged in the provision of cargo carriage services.

## 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 Cargo”	China Cargo Airlines Co., Ltd. (中國貨運航空有限公司), a subsidiary of Eastern Airlines as at the date of the announcement
“China Cargo Technology Services Provision Agreement”	the technology services provision agreement dated 19 December 2013 between the Company and China Cargo, pursuant to which the Company has agreed to provide the air freight logistics system services
“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
“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 Logistics”	Shanghai Eastern Air Logistics Co., Ltd. (東方航空物流有限公司), a subsidiary of Eastern Airlines as at the date of the announcement
“Eastern Logistics Technology Services Provision Agreement”	the technology services provision agreement dated 19 December 2013 between the Company and Eastern Logistics, pursuant to which the Company has agreed to provide the air freight logistics system services
“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(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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

*\* for identification purposes only*

*For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.27 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  
19 December 2013

*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. Cai, Kevin Yang;*

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