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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: 0696)

ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTION

Reference is made to the announcement dated 26 May 2008, the circular dated 16 June 2008 and the announcement dated 1 December 2010 in relation to, among other things, the non-exempt continuing connected transactions under the IATA Agreement. The IATA Agreement and the Annual Caps for the three years ended 31 December 2010 have been approved by the Independent Shareholders at the EGM on 31 July 2008. Besides, the Annual Caps for the three years ending 31 December 2013 have been calculated and published on 1 December 2010.

The Board announces that the Company has calculated the Annual Caps for the four years ending 31 December 2017. Since the highest applicable Percentage Ratio with reference to the Annual Caps for the four years ending 31 December 2017 is more than 0.1% but less than 5%, such Annual Caps are only subject to the reporting and announcement requirements set out in Rule 14A.45 to Rule 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement dated 26 May 2008, the circular dated 16 June 2008 and the announcement dated 1 December 2010 in relation to, among other things, the non-exempt continuing connected transactions under the IATA Agreement. The IATA Agreement and the Annual Caps for the three years ended 31 December 2010 have been approved by the Independent Shareholders at the EGM on 31 July 2008. Besides, the Annual Caps for the three years ending 31 December 2013 have been calculated and published on 1 December 2010.

ACCA has been providing the BSP Services to IATA's agencies and certain airline companies, including the Connected Airlines, pursuant to the IATA Agreement entered into on 27 March 2008.

IATA AGREEMENT

Details of the IATA Agreement have been set out in the announcement dated 26 May 2008, the circular dated 16 June 2008 and the announcement dated 1 December 2010. A summary of the terms of the IATA Agreement are set out below for easy reference:

Parties:	<i>Service provider:</i> ACCA, a wholly-owned subsidiary of the Company <i>recipient:</i> IATA and certain airline companies, including the Connected Airlines
Term:	27 March 2008 to 31 December 2017
Services:	The BSP Services
Service fee:	Fees are charged on the basis of a “Standard Charging Unit” (as defined in the IATA Agreement) per processing transaction. The Standard Charging Unit payable by IATA is defined in RMB for transactions in the PRC, in Hong Kong dollars for Hong Kong, Macau and in United States dollars for all other territories, subject to exchange rate fluctuation which will be adjusted in accordance with the terms of the IATA Agreement. The Directors (including the independent non-executive Directors) considered that the basis for the determination of the service fee as mentioned above is fair and reasonable.

HISTORICAL TRANSACTION AMOUNTS

Set out below is a summary of the historical transaction amounts of the IATA Agreement in respect of the transactions between ACCA and the Connected Airlines for the four years ended 31 December 2012 and the six months ended 30 June 2013:

	2009	Year ended 31 December		2012	Six months ended 30 June 2013
	RMB'000	2010	2011	RMB'000	RMB'000
		RMB'000	RMB'000		
Transactions under the IATA Agreement	27,455	29,572	27,619	26,960	12,588
	(equivalent	(equivalent	(equivalent	(equivalent	(equivalent
	to approximately	to approximately	to approximately	to approximately	to approximately
	HK\$34,044,200)	HK\$36,669,280)	HK\$ 34,247,560)	HK\$33,430,400)	HK\$15,609,120)

ANNUAL CAPS

The Board announces that the Company has calculated the Annual Caps for the four years ending 31 December 2017, which are set out below:

	Year ending 31 December			
	2014	2015	2016	2017
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Transactions under the IATA Agreement	29,724 (equivalent to approximately HK\$36,857,760)	31,210 (equivalent to approximately HK\$38,700,400)	32,770 (equivalent to approximately HK\$40,634,800)	34,409 (equivalent to approximately HK\$42,667,160)

The Annual Caps for the four years ending 31 December 2017 are determined with reference to (i) the historical transaction amounts of the IATA Agreement in respect of the transactions between ACCA and the Connected Airlines for the four years ended 31 December 2012 and the six months ended 30 June 2013; and (ii) the estimated annual growth rate of 5% in the transaction amounts of the IATA Agreement in respect of the transactions between ACCA and the Connected Airlines, after having taken into account of the anticipated growth in civil aviation passenger volume and market demand for BSP Services in the PRC and the expansion in the business scale of airline companies.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTION

ACCA entered into the IATA Agreement on 27 March 2008 pursuant to which it has been providing the BSP Services to the Connected Airlines and other airlines. The Company acquired ACCA on 3 March 2009, following which ACCA became a wholly-owned subsidiary of the Company and the transactions under the IATA Agreement became a continuing connected transaction of the Company. The Directors (including the independent non-executive Directors) are of the view that the transactions under the IATA Agreement will continue to generate profits for the Group and enhance its market position. The Directors (including the independent non-executive Directors) also believe that the terms of the IATA Agreement are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

THE COMPANY AND THE CONNECTED AIRLINES

The Group is principally engaged in the provision of aviation information technology services in the PRC, in particular ACCA is principally engaged in the provision of accounting, settlement and clearing services and information system development and support services to domestic and worldwide airline companies.

The Connected Airlines are domestic airline companies in the PRC, which are associates of certain substantial shareholders of the Company, including Southern Holding and Eastern Holding, and are therefore connected persons of the Company under Rule 14A.11(4) of the Listing Rules.

As at the date of this announcement, Mr. Wang Quanhua (a non-executive Director) is a director of Southern Airlines and the vice president of Southern Holding and Mr. Cai, Kevin Yang (a non-executive Director) is the chief information officer of Eastern Airlines. Mr. Wang Quanhua and Mr. Cai, Kevin Yang have abstained from voting on the board resolutions in relation to the Annual Caps for the four years ending 31 December 2017. Save for the aforesaid, each of the Directors (including the independent non-executive Directors) has confirmed that he has no material interest in the transactions under the IATA Agreement and is of the view that the Annual Caps for the four years ending 31 December 2017 are fair and reasonable.

IMPLICATIONS UNDER THE LISTING RULES

Since the highest applicable Percentage Ratio with reference to the Annual Caps for the four years ending 31 December 2017 is more than 0.1% but less than 5%, the Annual Caps for the four years ending 31 December 2017 are only subject to the reporting and announcement requirements set out in Rule 14A.45 to Rule 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“ACCA”	Accounting Centre of China Aviation Limited Company (中國航空結算有限責任公司), a wholly-owned subsidiary of the Company
“Annual Caps”	the respective expected maximum aggregate annual amount of the transactions under the IATA Agreement
“associate”	have the same meaning ascribed to it under Chapters 1 and 19A of the Listing Rules
“Board”	the board of Directors
“BSP Services”	provision of sales data processing and settlement service
“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 of Hong Kong Limited and whose American depositary shares are traded on the over-the-counter market in the United States of America
“Connected Airlines”	Southern Airlines, Xiamen Airlines Limited (a subsidiary of Southern Airlines), Sichuan Airlines Corporation Limited (in which more than 30% equity interest is held by Southern Airlines), Eastern Airlines and Shanghai Airlines Co., Ltd (a subsidiary of Eastern Airlines), all being connected persons of the Company

“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*) which has a shareholding of 0.27% in the Company and is 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*) which has a shareholding of 11.22% in the Company and is a substantial shareholder of the Company as at the date of this announcement
“EGM”	the extraordinary general meeting of the Company held on 31 July 2008 for the purpose of approving, among other things, the IATA Agreement and the Annual Caps for the three years ended 31 December 2010 by the Independent Shareholders
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IATA”	The International Air Transport Association, an association incorporated in Canada
“IATA Agreement”	an agreement dated 27 March 2008 entered into between ACCA as the service supplier and IATA as authorised by, among other airlines, the Connected Airlines in relation to the provision of BSP Services
“Independent Shareholders”	the shareholders of the Company who are not required to abstain from voting on resolutions for approving, among other things, the IATA Agreement at the EGM
“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
“Southern Airlines”	中國南方航空股份有限公司 (China Southern Airlines Company Limited), a subsidiary of Southern Holding as at the date of this announcement
“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
“US\$”	United States dollars, the lawful currency of The United States of America
“%”	per cent

* *for identification purposes only*

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.24 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
30 August 2013

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

<i>Executive Directors:</i>	<i>Mr. Xu Qiang (Chairman), Mr. Cui Zhixiong and Mr. Xiao Yinhong;</i>
<i>Non-executive Directors:</i>	<i>Mr. Wang Quanhua, Mr. Sun Yude and Mr. Cai, Kevin Yang;</i>
<i>Independent non-executive Directors:</i>	<i>Mr. Cheung Yuk Ming, Mr. Pan Chongyi and Mr. Zhang Hainan.</i>