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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
CONTINUING CONNECTED TRANSACTIONS
EASTERN AIRLINES SYSTEM SERVICES AGREEMENT
AND FACTORING SERVICES AGREEMENT

(1) SYSTEM SERVICES TRANSACTIONS

Reference is made to the announcement of the Company dated 23 November 2018 in relation to, among other things, the System Services Agreement. The System Services Agreement between ACCA, Eastern Airlines and Shanghai Airlines in relation to the System Services Transactions will expire on 31 December 2020.

On 27 August 2020, the Board agreed that, upon the expiry of the existing term on 31 December 2020, the term of the System Services Transactions under the System Services Agreement will be extended for one year, which is from 1 January 2021 to 31 December 2021.

ACCA is a wholly-owned subsidiary of the Company as at the date of this announcement. Eastern Airlines is a subsidiary of Eastern Holding and Shanghai Airlines is a wholly-owned subsidiary of Eastern Airlines. Eastern Holding is a substantial shareholder of the Company. Each of Eastern Airlines and Shanghai Airlines is therefore a connected person of the Company pursuant to the Listing Rules. As such, the System Services Transactions constitute continuing connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the proposed annual cap under the System Services Agreement is more than 0.1% but less than 5%, the transactions contemplated under the System Services Agreement and the proposed annual cap are subject to the announcement and annual review requirements but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

(2) FACTORING SERVICES TRANSACTIONS

On 27 August 2020, the Board also agreed that, upon the expiry of the existing term of the Factoring Services Agreement on 4 November 2020, the term of the Factoring Services Transactions under the Factoring Services Agreement will be extended for one year, which is from 5 November 2020 to 4 November 2021.

ACCA and Factoring Company are wholly-owned subsidiaries of the Company as at the date of this announcement. Eastern Airlines is a subsidiary of Eastern Holding and Eastern Holding is a substantial shareholder of the Company. Eastern Airlines is therefore a connected person of the Company pursuant to the Listing Rules. As such, the Factoring Services Transactions constitute continuing connected transactions of the Company.

The Group has began to conduct Factoring Services Transactions with Eastern Airlines since November 2019. Since the highest applicable Percentage Ratio calculated with reference to the historical annual caps of the Factoring Services Transactions is less than 0.1%, the Factoring Services Agreement and the historical transactions contemplated thereunder are exempt from the announcement requirement under Chapter 14A of the Listing Rules. Since the highest applicable Percentage Ratio calculated with reference to the future proposed annual caps of the Factoring Services Transactions is more than 0.1% but less than 5%, the Factoring Services Transactions and the future proposed annual caps are subject to the announcement and annual review requirements but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

1. BACKGROUND

Reference is made to the announcement of the Company dated 23 November 2018 in relation to, among other things, the System Services Agreement. The System Services Agreement between ACCA, Eastern Airlines and Shanghai Airlines in relation to the System Services Transactions will expire on 31 December 2020.

On 27 August 2020, the Board agreed that, upon the expiry of the existing term on 31 December 2020, the term of the System Services Transactions under the System Services Agreement will be extended for one year, which is from 1 January 2021 to 31 December 2021.

On 27 August 2020, the Board also agreed that, upon the expiry of the existing term of the Factoring Services Agreement on 4 November 2020, the term of the Factoring Services Transactions under the Factoring Services Agreement will be extended for one year, which is from 5 November 2020 to 4 November 2021.

2. SYSTEM SERVICES TRANSACTIONS

2.1 Details of the System Services Transactions

Parties: Service provider:

ACCA

Service recipient:

Eastern Airlines and Shanghai Airlines

Terms: The Board agreed that, upon the expiry of the existing term on 31 December 2020, the term of the System Services Transactions under the System Services Agreement will be extended for one year, which is from 1 January 2021 to 31 December 2021.

Services: The scope of services consists of the following:

- (1) the provision of application systems in relation to passenger transport, which include, among others, (i) domestic and international passenger transport revenue accounting management system, (ii) passenger transport business analysis system, (iii) passenger transport promotion and incentive accounting management system, (iv) subsidy management system; as well as relevant support and maintenance services for the abovementioned system products, which include the systematic infrastructure services required for the operation of application systems, the implementation of application system products, the application support and maintenance for daily operation as well as the customized program development.
- (2) the provision of revenue accounting services, which include, among others, (i) the passenger revenue accounting services (i.e., the passenger combined transport audit services, UATP accounting services and the passenger sales audit services), and (ii) the service fee accounting services.
- (3) the provision of clearing services through domestic and/or international clearing platforms.

Service fees: The fees for the services are as follows:

- (1) the pricing of the provision of application systems in relation to passenger transport as well as relevant support and maintenance services is as follows:
- (i) the pricing of the abovementioned provision of domestic and international passenger transport revenue accounting management system and relevant support and maintenance services is not governed by any regulatory pricing guidelines but is determined through arm's length negotiation between ACCA, Eastern Airlines and Shanghai Airlines with reference to the costs of services to be provided and varies depending on the transaction volume (i.e. the higher the transaction volume, the lower the rate). The rate of unit price for such services is not more than RMB0.4 for domestic passengers and not more than RMB1.65 for international passengers.
 - (ii) the pricing of the abovementioned provision of passenger transport business analysis system and relevant support and maintenance services is not governed by any regulatory pricing guidelines but is determined through arm's length negotiation between ACCA, Eastern Airlines and Shanghai Airlines. Such fees mainly consist of an annual fee of not more than RMB2,000,000 for the usage and technology support of business analysis system products; a system implementation fee of RMB2,500 per person per day; and a customized development fee of RMB2,500 per person per day.
 - (iii) the pricing of the abovementioned passenger transport promotion and incentive accounting management system and relevant support and maintenance services is not governed by any regulatory pricing guidelines but is determined through arm's length negotiation between ACCA, Eastern Airlines and Shanghai Airlines. Such fees mainly consist of a service fee with the rate of unit price not more than RMB50,000 for monthly payment for international services and not more than RMB120,000 for quarterly payment for the technology support of the system products; a system implementation fee of RMB2,500 per person per day; and a customized development fee of RMB2,500 per person per day.
 - (iv) the pricing of the abovementioned subsidy management system and relevant support and maintenance services is not governed by any regulatory pricing guidelines but is

determined through arm's length negotiation between ACCA, Eastern Airlines and Shanghai Airlines. Such fees mainly consist of a service fee with the rate of unit price of RMB100,000 for monthly payment for the technology support of the system products; a system implementation fee of RMB2,500 per person per day; and a customized development fee of RMB2,500 per person per day.

- (2) the pricing of the provision of revenue accounting services is as follows:
 - (i) the pricing of the passenger revenue accounting services is generally subject to the maximum guidance prices prescribed by CAAC, and is generally calculated based on certain percentage rates, ranging from 0.3% to 0.9% of the total amount involved in the revenue accounting services, depending on each individual type of revenue accounting services with the exception that the passenger sales audit services fee is calculated based on the volume of tickets at a rate of not more than RMB0.8 per ticket plus an adjusted fee charged at a rate of 10% of the adjusted amount.
 - (ii) the pricing of the service fee accounting services is generally subject to the maximum guidance prices prescribed by CAAC, and is generally calculated by 0.9% of the total amount involved in the service fee accounting services.
- (3) the pricing of the abovementioned clearing services is generally subject to the maximum guidance prices prescribed by CAAC. For the clearing services provided through domestic platforms, the services fees mainly consist of (i) a fixed monthly fee of RMB5,000 on the assumption that the transaction amount is not more than RMB1 million; and (ii) if the transaction amount is above RMB1 million, then the exceeding part will be charged at a rate of 0.06%. For the clearing services provided through international platforms, the services fees mainly consist of (i) a fixed annual fee of USD8,000 on the assumption that the transaction amount is not more than USD1 million; (ii) if the transaction amount is above USD1 million but not more than USD10 million, the exceeding part will be charged at a rate of not more than 0.09%; and (iii) if the transaction amount is above USD10 million, then the exceeding part will be charged at a rate of not more than 0.06%.

The service fees shall generally be calculated on a monthly basis and shall be settled in cash through clearing house. Such service fees shall generally be paid on a monthly basis.

The Directors are of the view that the basis of determination of the service fees mentioned above is fair and reasonable.

2.2 Internal Control and Mechanism to Regulate the System Services Transactions under the System Services Agreement

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

Such services under the System Services Transactions are provided and carried out through the Company's large scale computerized automated system with pre-set technology parameters based on the pricing terms as agreed under the System Services Agreement. Such parameters mainly include, if applicable, the costs of such services, the business processing volume and unit price. Changes of such pre-set technology specifications can only be made after receiving joint approvals from various internal departments of the Company, such as the business sales department, the market management department and the finance department, thus to ensure that the terms of the System Services Transactions under the System Services Agreement are adherent and strictly followed.

Further, the auditors of the Company will conduct annual review of the System Services Transactions under the System Services Agreement 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. The auditors will also carry out annual system auditing on the Company's computerized automated system to, among other things, verify the system's reliability and stability, and evaluate the internal control procedures for the authorization of making changes to the system parameters and programme.

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

2.3 Historical Transaction Records

Set out below is a summary of the historical transactions amounts between ACCA, Eastern Airlines and Shanghai Airlines under the System Services Agreement for the three years ended 31 December 2019 and the seven months ended 31 July 2020:

	Year ended 31 December			Seven months ended 31 July
	2017 (RMB)	2018 (RMB)	2019 (RMB)	2020 (RMB)
System Services Transactions	81,909,000 (equivalent to approximately HK\$90,099,900)	94,255,000 (equivalent to approximately HK\$103,680,500)	104,996,000 (equivalent to approximately HK\$115,495,600)	38,466,000 (equivalent to approximately HK\$42,312,600)

Note: The historical transaction figures for the three years ended 2017, 2018 and 2019 are audited figures of the Group. The figure for the seven months ended 31 July 2020 is internal management account figure and the reason for the low figure is mainly due to the outbreak of the COVID-19 epidemic at the beginning of 2020 (the “Epidemic”). China’s economy is expected to recover its growth trend once the Epidemic is under control, which in turn may stimulate the demand for civil aviation industry. Therefore, the Directors and the management of the Company considered that the determination of the proposed annual cap for the year ending 31 December 2021 shall not make reference to the historical transaction amount for the seven months ended 31 July 2020.

2.4 Proposed Annual Cap and Basis for the Proposed Annual Cap

2.4.1 Proposed Annual Cap

Set out below is a summary of the proposed annual cap for the year ending 31 December 2021 for the System Services Transactions under the System Services Agreement:

	Year ending 31 December 2021 (RMB)
System Services Transactions	150,000,000 (equivalent to approximately HK\$165,000,000)

2.4.2 Basis of the Proposed Annual Cap for the System Services Transactions

The proposed annual cap for the System Services Transactions under the System Services Agreement for the year ending 31 December 2021 is determined with reference to: (i) the historical transaction amounts of such type of transactions

between ACCA, Eastern Airlines and Shanghai Airlines for the preceding three years ended 31 December 2019; (ii) the estimated increase in demand of the civil aviation transportation market as influenced by various factors such as the “One Belt and One Road” strategy; (iii) the expansion of Eastern Airlines’ business from time to time through acquisition of other airlines or establishing more branches; and (iv) the broad prospect of China’s aviation market, which the International Air Transport Association expected that it will become the largest civil aviation transportation market in 2024.

2.5 Reasons for and Benefits of the System Services Transactions

The System Services Transactions between ACCA, Eastern Airlines and Shanghai Airlines under the System Services Agreement are in the ordinary and usual course of business of the Group. The Group will receive service fees for provision of such products and 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 System Services Transactions are 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 proposed annual cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2.6 Implications under the Listing Rules

ACCA is a wholly-owned subsidiary of the Company as at the date of this announcement. Eastern Airlines is a subsidiary of Eastern Holding and Shanghai Airlines is a wholly-owned subsidiary of Eastern Airlines. Eastern Holding is a substantial shareholder of the Company. Each of Eastern Airlines and Shanghai Airlines is therefore a connected person of the Company pursuant to the Listing Rules. As such, the System Services Transactions constitute continuing connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the proposed annual cap under the System Services Agreement is more than 0.1% but less than 5%, the transactions contemplated under the System Services Agreement and the proposed annual cap are subject to the announcement and annual review requirements but exempt from the independent Shareholders’ approval requirement of Chapter 14A of the Listing Rules.

Mr. Xi Sheng, a non-executive Director, has abstained from voting on the Board meeting for approving the System Services Transactions as he takes positions in Eastern Holding and Eastern Airlines. Save as stated above, none of the Directors has a material interest in the System Services Transactions and none of them has abstained from voting on the relevant Board resolution.

3. FACTORING SERVICES TRANSACTIONS

3.1 Details of the Factoring Services Transactions

Parties:	Service providers: Factoring Company and ACCA
	Service recipient: Eastern Airlines
Terms:	The Board agreed that, upon the expiry of the existing term on 4 November 2020, the term of the Factoring Services Transactions under the Factoring Services Agreement will be extended for one year, which is from 5 November 2020 to 4 November 2021.
Services:	Factoring Company provides financing commercial factoring services for the account receivables incurred during the operation process of the UATP card issuing business by Eastern Airlines and its customers, which include, but not limited to, all or part of the services in relation to account receivables financing, account receivables management, account receivables collection and repayment guarantee. Of which, Factoring Company will acquire the account receivables of Eastern Airlines arising from using UATP accounts, based on the requirements of Eastern Airlines on conducting UATP card issuing business, and Eastern Airlines will receive factoring financing amounts from Factoring Company. The debtor of the account receivables shall pay the transferred account receivables to Factoring Company upon its maturity. ACCA shall provide financial, data and business resources to support Factoring Company.
Service fees:	The service fees charged to Eastern Airlines by Factoring Company shall be not lower than 0.9% of each factoring proceed, and shall vary depending on payment days (the longer the payment days, the higher the rate). The service fees charged to Eastern Airlines by ACCA shall be 0.15% of the total factoring proceeds. After the deduction of all the service fees and handling charges receivable by Factoring Company and ACCA on the date of formation of relevant account receivables from the factoring proceeds, Factoring

Company shall pay the remaining amounts to Eastern Airlines on the next day of formation of the relevant account receivables, and shall transfer relevant service fees to ACCA.

The pricing of the abovementioned services shall be determined through arm's length negotiation between ACCA, Factoring Company and Eastern Airlines with reference to the costs of specific funds, the actual financing needs of Eastern Airlines and by considering the market condition from time to time, which shall be not lower than the fees charged for the same or similar services provided to other independent third party clients by the Group. The Directors are of the view that the basis of determination of the service fees mentioned above is fair and reasonable.

3.2 Internal Control and Mechanism to Regulate the Factoring Services Transactions under the Factoring Services Agreement

The Company has adopted a set of effective internal control measures to supervise the Company's continuing connected transactions. Before entering into specific agreement, the authorization departments of the Group (including the business sales department, the market management department, the finance department and other departments) will review and assess the specific terms and conditions for transactions according to the principle of fair and objective, to ensure that the Factoring Services Transactions are carried out in accordance with relevant regulatory guidelines and terms as disclosed herein and those agreed under the Factoring Services Agreement, with reference to the normal commercial terms and the prevailing market condition.

Further, the auditors of the Company will conduct annual review of the Factoring Services Transactions under the Factoring Services Agreement to confirm that, among other things, such transactions are carried out in accordance with the pricing policies of the Company and 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 measures in place to ensure the terms of the Factoring Services Transactions are adherent and strictly followed in accordance with relevant regulatory guidelines and the Factoring Services Agreement.

3.3 Historical Transaction Records

Set out below is a summary of the historical transactions amounts between ACCA, Factoring Company and Eastern Airlines under the Factoring Services Agreement from the date of entering into the Factoring Services Agreement to 31 December 2019 and the seven months ended 31 July 2020:

	From the date of entering into the Factoring Services Agreement to 31 December 2019 (RMB)	Seven months ended 31 July 2020 (RMB)
Factoring limit (being the maximum outstanding factoring balance at any time during the effective term of the Factoring Services Agreement)	920 (equivalent to approximately HK\$1,012)	1,470 (equivalent to approximately HK\$1,617)
Factoring service fees and handling charges	0 (equivalent to approximately HK\$0)	4.73 (equivalent to approximately HK\$5.20)

Note: The historical factoring limit from the date of entering into the Factoring Services Agreement to 31 December 2019 is audited figure of the Group. The period from the date of entering into such agreement to 31 December 2019 is the trial operation stage for the Factoring Services Transactions, thus services fees to be paid by Eastern Airlines are exempted by Factoring Company and ACCA under the Factoring Services Agreement.

The figure for the seven months ended 31 July 2020 is internal management account figure. The reason for the low figure is mainly due to that the customers have not been fully connected to use such services at the early stage of operation and the Epidemic broke out at the beginning of 2020 leading to sharp drop in travel demand of customers. Therefore, the low figure at the early stage of operation is in line with the development principles of the business and current industry status. China's economy is expected to recover its growth trend once the Epidemic is under control, which in turn may stimulate the demand for civil aviation industry. Therefore, the Directors and the management of the Company considered that the determination of the proposed annual caps for the year ending 31 December 2021 shall not make reference to the historical transaction amounts for the seven months ended 31 July 2020.

3.4 Proposed Annual Caps and Basis for The Proposed Annual Caps

3.4.1 Proposed Annual Caps

Set out below is a summary of the proposed annual caps for the two years ending 31 December 2021 for the Factoring Services Transactions under the Factoring Services Agreement:

	Year ending 31 December 2020 (RMB)	Year ending 31 December 2021 (RMB)
Factoring limit (being the maximum outstanding factoring balance at any time during the effective term of the Factoring Services Agreement)	22,000,000 (equivalent to approximately HK\$24,200,000)	100,000,000 (equivalent to approximately HK\$110,000,000)
Factoring service fees and handling charges	2,500,000 (equivalent to approximately HK\$2,750,000)	5,250,000 (equivalent to approximately HK\$5,775,000)

Notes: The proposed annual caps for factoring limit (being the maximum outstanding factoring balance at any time during the effective term of the Factoring Services Agreement) for the year ending 31 December 2020 will be the maximum outstanding factoring balance under the Factoring Services Agreement at any time from 1 January 2020 to 31 December 2020; The proposed annual caps for factoring service fees and handling charges for the year ending 31 December 2020 will include total factoring service fees and handling charges under the Factoring Services Agreement from 1 January 2020 to 31 December 2020.

The proposed annual caps for factoring limit (being the maximum outstanding factoring balance at any time during the effective term of the Factoring Services Agreement) for the year ending 31 December 2021 will be the maximum outstanding factoring balance under the Factoring Services Agreement (and any possible renewal thereof) at any time from 1 January 2021 to 31 December 2021; The proposed annual caps for factoring service fees and handling charges for the year ending 31 December 2021 will include total factoring service fees and handling charges under the Factoring Services Agreement (and any possible renewal thereof) from 1 January 2021 to 31 December 2021.

3.4.2 Basis of the Proposed Annual Caps for the Factoring Services Transactions

The abovementioned proposed annual caps for the Factoring Services Transactions under the Factoring Services Agreement are determined with reference to (1) the industry development trend, market prospect and the 5.6% compound growth rate of

the global business travel expenditure in the coming three years as estimated by the Global Business Travel Association; (2) a year-on-year increase of 6.1% in China's Gross Domestic Product in 2019, indicating a continuous growth of large and medium-sized enterprises and a strong travel demand; (3) the increasing demand of the travel market as influenced by various factors such as the "One Belt and One Road" strategy; and (4) a buffer to a certain degree which is necessary to accommodate the unexpected fluctuation due to the potential business demands of Eastern Airlines.

3.5 Reasons for and Benefits of the Factoring Services Transactions

The Factoring Services Agreement is conducted in the ordinary and usual course of business of ACCA and Factoring Company and on normal commercial terms. The factoring interest and management fees received will bring income and cash flow to the Group.

The Directors (including the independent non-executive Directors) are of the view that the Factoring Services Transactions are 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 proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3.6 Implications under the Listing Rules

ACCA and Factoring Company are wholly-owned subsidiaries of the Company as at the date of this announcement. Eastern Airlines is a subsidiary of Eastern Holding and Eastern Holding is a substantial shareholder of the Company. Eastern Airlines is therefore a connected person of the Company pursuant to the Listing Rules. As such, the Factoring Services Transactions constitute continuing connected transactions of the Company.

The Group has began to conduct Factoring Services Transactions with Eastern Airlines since November 2019. Since the highest applicable Percentage Ratio calculated with reference to the historical annual caps of the Factoring Services Transactions is less than 0.1%, the Factoring Services Agreement and the historical transactions contemplated thereunder are exempt from the announcement requirement under Chapter 14A of the Listing Rules. Since the highest applicable Percentage Ratio calculated with reference to the future proposed annual caps of the Factoring Services Transactions is more than 0.1% but less than 5%, the Factoring Services Transactions and the future proposed annual caps are subject to the announcement and annual review requirements but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

Mr. Xi Sheng, a non-executive Director, has abstained from voting on the Board meeting for approving the Factoring Services Transactions as he takes positions in Eastern Holding and Eastern Airlines. Save as stated above, none of the Directors has a material interest in the Factoring Services Transactions and none of them has abstained from voting on the relevant Board resolution.

4. 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 ACCA

ACCA is principally engaged in the provision of accounting, settlement and clearing services and information system development and support services to commercial airlines and other aviation companies.

Information on Factoring Company

Factoring Company is principally engaged in the provision of various supply chain financial services to various companies of air travel supply chain, such as airlines, airports, agents, ultimate corporations.

Information on Eastern Holding

Eastern Holding is a wholly state-owned enterprise in the PRC. As at the date of this announcement, it is a substantial shareholder of the Company and holds approximately 12.21% of the total issued share capital of the Company. It is principally engaged in the management of the state-owned assets and state-owned equity interests resulting from investments of the state in Eastern Holding and its invested entities.

Information on Eastern Airlines

Eastern Airlines is a company listed on the Main Board of the Stock Exchange (Stock Code: 670) and is principally engaged in the operation of civil aviation, including the provision of passenger, cargo, mail delivery and other extended transportation services.

Information on Shanghai Airlines

Shanghai Airlines is a wholly-owned subsidiary of Eastern Airlines as at the date of this announcement and is principally engaged in the operation of civil aviation, including the provision of passenger, cargo, mail delivery and other extended transportation services.

5. 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 as at the date of this announcement
“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(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eastern Airlines”	China Eastern Airlines Corporation Limited* (中國東方航空股份有限公司), a subsidiary of Eastern Holding as at the date of this announcement
“Eastern Holding”	China Eastern Air Holding Company Limited* (中國東方航空集團有限公司), which has a shareholding of 12.21% in the Company and is a substantial shareholder of the Company as at the date of this announcement
“Factoring Company”	Antu Jinxin Commercial Factoring Company Limited* (安途金信商業保理有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement

“Factoring Services Agreement”	the cooperation agreement entered into by Factoring Company, ACCA and Eastern Airlines on 5 November 2019 and renewed for one year on 27 August 2020 to 4 November 2021 in relation to the provision of factoring services related to UATP business to Eastern Airlines by Factoring Company and ACCA
“Factoring Services Transactions”	the continuing connected transactions between Factoring Company, ACCA and Eastern Airlines in relation to the provision of factoring services by Factoring Company and ACCA to Eastern Airlines as set out in this announcement
“Group”	the Company and its subsidiaries, including ACCA and Factoring Company
“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 (as amended from time to time)
“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, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Airlines”	Shanghai Airlines Co., Ltd* (上海航空有限公司), a wholly-owned subsidiary of Eastern Airlines as at the date of this announcement
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the same meaning as ascribed to it under the Listing Rules

“System Services Agreement”	the system services and agency settlement and clearing services agreement entered into by ACCA, Eastern Airlines and Shanghai Airlines on 23 November 2018 and renewed on 27 August 2020 for one year to 31 December 2021 in relation to the provision of passenger transport revenue management system services and settlement and clearing services
“System Services Transactions”	the continuing connected transactions between ACCA, Eastern Airlines and Shanghai Airlines in relation to the provision of passenger transport revenue management system services and settlement and clearing services by ACCA to Eastern Airlines and Shanghai Airlines as set out in this announcement
“UATP”	Universal Air Travel Plan, which is a global business travel payment network, and the world’s first set of debit card issued by airlines to its corporate customers
“USD”	the lawful currency of the United States
“%”	per cent

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.10 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged.

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

Beijing, PRC
27 August 2020

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

Executive Directors: Mr. Cui Zhixiong (Chairman) and Mr. Xiao Yinhong;

Non-executive Directors: Mr. Zhao Xiaohang, Mr. Xi Sheng and Mr. Luo Laijun;

Independent non-executive Directors: Mr. Cao Shiqing, Dr. Ngai Wai Fung and Mr. Liu Xiangqun.

* *For identification purposes only*