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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)

CONNECTED TRANSACTIONS :
HUADONG CARES SUBCONTRACT AGREEMENTS

On 11 December 2018, the Company entered into the Huadong Cares Hefei Airport Subcontract Agreement with Huadong Cares, pursuant to which Huadong Cares has agreed to subcontract to the Company the construction of the self-service luggage system for the Hefei Airport Project, which includes but not limited to, the procurement and delivery of the required software as well as the one-year quality warranty for the self-service luggage system.

On 27 December 2018, the Company entered into the Huadong Cares Hongqiao Maintenance Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of departure system for the Hongqiao Maintenance Project, which includes but not limited to, the provision of the four-year maintenance and support services for the required software of the departure system.

On 27 December 2018, the Company entered into the Huadong Cares Hongqiao Airport Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of departure system for the Hongqiao Airport Project, which includes but not limited to, the procurement, installation and testing of the required hardware and the overall system implementation as well as the one-year quality warranty for the departure system.

Huadong Cares is owned as to 41% by the Company and over 30% by Eastern Airlines as at the date of this announcement. Eastern Airlines is a subsidiary of Eastern Holding, a substantial shareholder of the Company. As such, Huadong Cares is a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Therefore, the transactions contemplated under the Huadong Cares Subcontract Agreements entered into between the Company and Huadong Cares constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the consideration under the Huadong Cares Subcontract Agreements is more than 0.1% but less than 5%, the transactions contemplated under the Huadong Cares Subcontract Agreements is subject to the announcement requirement but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

1. HUADONG CARES SUBCONTRACT AGREEMENTS

On 11 December 2018, the Company entered into the Huadong Cares Hefei Airport Subcontract Agreement with Huadong Cares, pursuant to which Huadong Cares has agreed to subcontract to the Company the construction of the self-service luggage system for the Hefei Airport Project, which includes but not limited to, the procurement and delivery of the required software as well as the one-year quality warranty for the self-service luggage system.

On 27 December 2018, the Company entered into the Huadong Cares Hongqiao Maintenance Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of departure system for the Hongqiao Maintenance Project, which includes but not limited to, the provision of the four-year maintenance and support services for the required software of the departure system.

On 27 December 2018, the Company entered into the Huadong Cares Hongqiao Airport Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of departure system for the Hongqiao Airport Project, which includes but not limited to, the procurement, installation and testing of the required hardware and the overall system implementation as well as the one-year quality warranty for the departure system.

Further details of the Huadong Cares Subcontract Agreements are set out below:

1.1 Huadong Cares Hefei Airport Subcontract Agreement

Date:	11 December 2018
Parties:	(1) Huadong Cares (as contractor); and (2) the Company (as subcontractor)
Scope of work:	Huadong Cares will subcontract to the Company the construction of the self-service luggage system for the Hefei Airport Project, which includes but not limited to, the procurement and delivery of the required software as well as the one-year quality warranty for the self-service luggage system.

Consideration: RMB720,000.00 (equivalent to approximately HK\$813,600.00)

The consideration shall be paid by Huadong Cares to the Company in two instalments according to the project progress as scheduled in the Huadong Cares Hefei Airport Subcontract Agreement.

The parties may enter into a supplemental agreement to amend the consideration according to the actual purchase amount of the required software, and the provision of services under the Huadong Cares Hefei Airport Subcontract Agreement. The adjustment shall not exceed 10% of the consideration.

The above consideration has been determined and agreed between the parties on an arm's length basis based on the costs of the software including the necessary technical support services and after taking into account the market conditions.

1.2 Huadong Cares Hongqiao Maintenance Subcontract Agreement

Date: 27 December 2018

Parties: (1) the Company (as contractor); and
(2) Huadong Cares (as subcontractor)

Scope of work: The Company will subcontract to Huadong Cares the construction of departure system for the Hongqiao Maintenance Project, which includes but not limited to, the provision of the four-year maintenance and support services for the required software of the departure system.

Consideration: RMB12,400,000.00 (equivalent to approximately HK\$14,012,000.00)

The consideration shall be paid by the Company to Huadong Cares in four instalments according to the project progress as scheduled in Huadong Cares Hongqiao Maintenance Subcontract Agreement.

The parties may enter into a supplemental agreement to amend the consideration according to the actual costs incurred resulting from the provision of services under the Huadong Cares Hongqiao Maintenance Subcontract Agreement. The adjustment shall not exceed 10% of the consideration.

The above consideration has been determined and agreed between the parties on an arm's length basis based on the costs of the maintenance and support services and after taking into account the market conditions.

1.3 Huadong Cares Hongqiao Airport Subcontract Agreement

Date: 27 December 2018

Parties: (1) the Company (as contractor); and
(2) Huadong Cares (as subcontractor)

Scope of work: The Company will subcontract to Huadong Cares the construction of departure system for the Hongqiao Airport Project, which includes but not limited to, the procurement, installation and testing of the required hardware and the overall system implementation as well as the one-year quality warranty for the departure system.

Consideration: RMB23,255,558.00 (equivalent to approximately HK\$26,278,780.54)

The consideration shall be paid by the Company to Huadong Cares in four instalments according to the project progress as scheduled in Huadong Cares Hongqiao Airport Subcontract Agreement.

The parties may enter into a supplemental agreement to amend the consideration according to the actual purchase amount of the required hardware, and the provision of services under the Huadong Cares Hongqiao Airport Subcontract Agreement. The adjustment shall not exceed 10% of the consideration.

The above consideration has been determined and agreed between the parties on an arm's length basis based on the costs of the hardware including the necessary technical support services and after taking into account the market conditions.

2. REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS

The Company has undertaken the Hefei Airport Project from Huadong Cares, and each of the Hongqiao Maintenance Project and the Hongqiao Airport Project as a general contractor. Huadong Cares is principally engaged in the provision of computer software and hardware development and data network services. Both the Company and Huadong Cares have the necessary qualification, capability and technological skill required to carry out the relevant work

as specified under the Huadong Cares Subcontract Agreements. The Board is of the view that it will be for the benefit of the Company to contract for from Huadong Cares and subcontract to Huadong Cares the relevant work as specified under the aforementioned agreements.

The Directors (including the independent non-executive Directors) are of the view that the transaction under the Huadong Cares Subcontract Agreements 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 transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. IMPLICATIONS UNDER THE LISTING RULES

Huadong Cares is owned as to 41% by the Company and over 30% by Eastern Airlines as at the date of this announcement. Eastern Airlines is a subsidiary of Eastern Holding, a substantial shareholder of the Company. As such, Huadong Cares is a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Therefore, the transactions contemplated under the Huadong Cares Subcontract Agreements entered into between the Company and Huadong Cares constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the consideration under the Huadong Cares Subcontract Agreements is more than 0.1% but less than 5%, the transactions contemplated under the Huadong Cares Subcontract Agreements is subject to the announcement requirement but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

Mr. Li Yangmin, a non-executive Director then, has abstained from voting on the resolution in relation to the Huadong Cares Subcontract Agreements as he is a director of Eastern Airlines and an employee of Eastern Holding. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Huadong Cares Subcontract Agreements, 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 the provision of accounting, settlement and clearing services and information system development and support services to domestic and worldwide airline companies.

Information on Huadong Cares

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

5. 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(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), a substantial shareholder of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hefei Airport Project”	the construction of the self-service luggage system of the Hefei Xinqiao Airport* (合肥新橋機場), which includes but not limited to, the procurement and delivery of certain systems thereof
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Hongqiao Airport Project”	the construction of the domestic departure system of the Shanghai Hongqiao International Airport* (上海虹橋國際機場) for promotion, which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof

“Hongqiao Maintenance Project”	the construction of the domestic departure system of the Shanghai Hongqiao International Airport* (上海虹橋國際機場), which includes but not limited to, the provision of maintenance and support services of certain systems thereof
“Huadong Cares”	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)
“Huadong Cares Hefei Airport Subcontract Agreement”	the subcontract agreement dated 11 December 2018 between the Company and Huadong Cares pursuant to which Huadong Cares has agreed to subcontract to the Company the construction of the self-service luggage system for Hefei Airport Project
“Huadong Cares Hongqiao Airport Subcontract Agreement”	the subcontract agreement dated 27 December 2018 between the Company and Huadong Cares pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the departure system for the Hongqiao Airport Project
“Huadong Cares Hongqiao Maintenance Subcontract Agreement”	the subcontract agreement dated 27 December 2018 between the Company and Huadong Cares pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the departure system for the Hongqiao Maintenance Project
“Huadong Cares Subcontract Agreements”	collectively, the Huadong Cares Hefei Airport Subcontract Agreement, the Huadong Cares Hongqiao Maintenance Subcontract Agreement and the Huadong Cares Hongqiao Airport Subcontract Agreement
“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, the Macau Special Administrative Region and Taiwan
“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(ies)”	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\$1.13 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
27 December 2018

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. Tang Bing and Mr. Han Wensheng;

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