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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 :
XI'AN CARES SUBCONTRACT AGREEMENTS

On 9 January 2019, the Company entered into the Xi'an Cares Xianyang International Airport Subcontract Agreement with Xi'an Cares, pursuant to which Xi'an Cares has agreed to subcontract to the Company the construction of the common use self-service check-in system for the Xi'an Xianyang International Airport Project, which includes but not limited to, the procurement, installation and testing of the required software and the overall system implementation as well as the grant of right to use ten common use self-service check-in equipment and the maintenance thereof for a period of five years.

On 9 January 2019, the Company entered into the Xi'an Cares Xianyang Luggage Subcontract Agreement with Xi'an Cares, pursuant to which the Company has agreed to subcontract to Xi'an Cares the construction of the self-service luggage system for the Xi'an Xianyang Luggage Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation as well as the five-year quality warranty for the self-service luggage system.

On 15 February 2019, the Company entered into the Xi'an Cares Xianyang Departure Subcontract Agreement with Xi'an Cares, pursuant to which the Company has agreed to subcontract to Xi'an Cares the construction of the departure system for the Xi'an Xianyang Departure Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation as well as the five-year quality warranty for the departure system.

Xi'an Cares is a non-wholly-owned subsidiary of the Company, which is owned as to 51% by the Company, 32% by Eastern Airlines, and 17% by China West Airport Group* (西部機場集團). 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. Xi'an Cares is therefore a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Xi'an Cares Subcontract Agreements constitute connected transactions of the Company.

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

1. XI'AN CARES SUBCONTRACT AGREEMENTS

On 9 January 2019, the Company entered into the Xi'an Cares Xianyang International Airport Subcontract Agreement with Xi'an Cares, pursuant to which Xi'an Cares has agreed to subcontract to the Company the construction of the common use self-service check-in system for the Xi'an Xianyang International Airport Project, which includes but not limited to, the procurement, installation and testing of the required software and the overall system implementation as well as the grant of right to use ten common use self-service check-in equipment and the maintenance thereof for a period of five years.

On 9 January 2019, the Company entered into the Xi'an Cares Xianyang Luggage Subcontract Agreement with Xi'an Cares, pursuant to which the Company has agreed to subcontract to Xi'an Cares the construction of the self-service luggage system for the Xi'an Xianyang Luggage Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation as well as the five-year quality warranty for the self-service luggage system.

On 15 February 2019, the Company entered into the Xi'an Cares Xianyang Departure Subcontract Agreement with Xi'an Cares, pursuant to which the Company has agreed to subcontract to Xi'an Cares the construction of the departure system for the Xi'an Xianyang Departure Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation as well as the five-year quality warranty for the departure system.

Further details of the Xi'an Cares Subcontract Agreements are set out below:

1.1 Xi'an Cares Xianyang International Airport Subcontract Agreement

Date: 9 January 2019

Parties: (1) Xi'an Cares (as contractor); and
(2) the Company (as subcontractor)

Scope of work: Xi'an Cares will subcontract to the Company the construction of the common use self-service check-in system for the Xi'an Xianyang International Airport Project, which includes but not limited to, the procurement, installation and testing of the required software and the overall system implementation as well as the grant of right to use ten common use self-service check-in equipment and the maintenance thereof for a period of five years.

Consideration: RMB720,000.00 (equivalent to approximately HK\$828,000.00)

The consideration shall be paid by Xi'an Cares to the Company in three instalments according to the project progress as scheduled in the Xi'an Cares Xianyang International 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 Xi'an Cares Xianyang International 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 Xi'an Cares Xianyang Luggage Subcontract Agreement

Date: 9 January 2019

Parties: (1) the Company (as contractor); and
(2) Xi'an Cares (as subcontractor)

Scope of work: The Company will subcontract to Xi'an Cares the construction of the self-service luggage system for the Xi'an Xianyang Luggage Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation as well as the five-year quality warranty for the self-service luggage system.

Consideration: RMB843,874.00 (equivalent to approximately HK\$970,455.10)

The consideration shall be paid by the Company to Xi'an Cares in four instalments according to the project progress as scheduled in the Xi'an Cares Xianyang Luggage 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 hardware, and the provision of services under the Xi'an Cares Xianyang Luggage 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 and hardware including the necessary technical support services and after taking into account the market conditions.

1.3 Xi'an Cares Xianyang Departure Subcontract Agreement

Date: 15 February 2019

Parties: (1) the Company (as contractor); and
(2) Xi'an Cares (as subcontractor)

Scope of work: The Company will subcontract to Xi'an Cares the construction of the departure system for the Xi'an Xianyang Departure Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation as well as the five-year quality warranty for the departure system.

Consideration: RMB7,004,411.00 (equivalent to approximately HK\$8,055,072.65)

The consideration shall be paid by the Company to Xi'an Cares in certain instalments in line with the time and percentage of the payment made by the general contractor to the Company according to the project progress as scheduled in the Xi'an Cares Xianyang Departure 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 hardware, and the provision of services under the Xi'an Cares Xianyang Departure 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 and 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 Xi'an Xianyang International Airport Project from Xi'an Cares, and has undertaken the Xi'an Xianyang Luggage Project and the Xi'an Xianyang Departure Project as a general contractor. Xi'an Cares is principally engaged in the provision of computer software and hardware development and data network services. Both the Company and Xi'an Cares have the necessary qualification, capability and technological skill required to carry out the relevant work as specified under the Xi'an Cares Subcontract Agreements. The Board is of the view that it will be for the benefit of the Company to subcontract to Xi'an Cares and contract for from Xi'an Cares the relevant work as specified under the aforementioned agreements.

The Directors (including the independent non-executive Directors) are of the view that the transactions under the Xi'an 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 transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. IMPLICATIONS UNDER THE LISTING RULES

Xi'an Cares is a non-wholly-owned subsidiary of the Company, which is owned as to 51% by the Company, 32% by Eastern Airlines, and 17% by China West Airport Group* (西部機場集團). 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. Xi'an Cares is therefore a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Xi'an Cares Subcontract Agreements constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the consideration under the Xi'an Cares Subcontract Agreements is more than 0.1% but less than 5%, the transactions contemplated under the Xi'an Cares Subcontract Agreements are 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 Xi'an 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 Xi'an 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 Xi'an Cares

Xi'an 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
“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, 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
“Xi’an Cares”	Civil Aviation Cares Technology of Xi’an Ltd.* (西安民航凱亞科技有限公司)
“Xi’an Cares Subcontract Agreements”	collectively, Xi’an Cares Xianyang International Airport Subcontract Agreement, Xi’an Cares Xianyang Luggage Subcontract Agreement, Xi’an Cares Xianyang Departure Subcontract Agreement
“Xi’an Cares Xianyang Departure Subcontract Agreement”	the subcontract agreement dated 15 February 2019 between the Company and Xi’an Cares pursuant to which the Company has agreed to subcontract to Xi’an Cares the construction of the departure system for the Xi’an Xianyang Departure Project
“Xi’an Cares Xianyang International Airport Subcontract Agreement”	the subcontract agreement dated 9 January 2019 between the Company and Xi’an Cares pursuant to which Xi’an Cares has agreed to subcontract to the Company the construction of the common use self-service check-in system for the Xi’an Xianyang International Airport Project
“Xi’an Cares Xianyang Luggage Subcontract Agreement”	the subcontract agreement dated 9 January 2019 between the Company and Xi’an Cares pursuant to which the Company has agreed to subcontract to Xi’an Cares the construction of the self-service luggage system for the Xi’an Xianyang Luggage Project
“Xi’an Xianyang Departure Project”	the construction of the departure system of the Xi’an Xianyang International Airport* (西安咸陽國際機場) for the No. 3 south airside concourse, which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“Xi’an Xianyang International Airport Project”	the construction of the common use self-service check-in system of the Xi’an Xianyang International Airport* (西安咸陽國際機場), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof

“Xi’an Xianyang Luggage
Project”

the construction of the self-service luggage system of the Xi’an Xianyang International Airport* (西安咸陽國際機場) for the No. 3 south airside concourse, which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof

“%”

per cent

* *for identification purposes only*

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.15 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
15 February 2019

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.