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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 28 July 2020, the Company entered into the Xi'an Cares Western Airport Subcontract Agreement with Xi'an Cares, pursuant to which Xi'an Cares has agreed to subcontract to the Company the construction of the Western Airport Project, which includes but not limited to, the provision of data services for the airport operation data statistics analysis system.

On 1 September 2020, the Company entered into the Xi'an Cares Yulin Airport Subcontract Agreement with Xi'an Cares, pursuant to which Xi'an Cares has agreed to subcontract to the Company the construction of the departure system for the Yulin Airport Project, which includes but not limited to, the procurement and delivery of the required software 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 28 July 2020, the Company entered into the Xi'an Cares Western Airport Subcontract Agreement with Xi'an Cares, pursuant to which Xi'an Cares has agreed to subcontract to the Company the construction of the Western Airport Project, which includes but not limited to, the provision of data services for the airport operation data statistics analysis system.

On 1 September 2020, the Company entered into the Xi'an Cares Yulin Airport Subcontract Agreement with Xi'an Cares, pursuant to which Xi'an Cares has agreed to subcontract to the Company the construction of the departure system for the Yulin Airport Project, which includes but not limited to, the procurement and delivery of the required software as well as the five-year quality warranty for the departure system.

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

1.1 Xi'an Cares Western Airport Subcontract Agreement

Date: 28 July 2020

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 Western Airport Project, which includes but not limited to, the provision of data services for the airport operation data statistics analysis system.

Consideration: RMB1,440,000.00 (equivalent to approximately HK\$1,584,000.00).

The consideration shall be paid by Xi'an Cares to the Company in a lump sum according to the project progress as scheduled in the Xi'an Cares Western Airport Subcontract Agreement.

The parties may enter into a supplemental agreement to amend the consideration according to the actual provision of services under the Xi'an Cares Western 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 relevant services and after taking into account the market conditions.

1.2 Xi'an Cares Yulin Airport Subcontract Agreement

Date: 1 September 2020

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

Scope of work: Xi'an Cares has agreed to subcontract to the Company the construction of the departure system for the Yulin Airport Project, which includes but not limited to, the procurement and delivery of the required software as well as the five-year quality warranty for the departure system.

Consideration: RMB16,646,328.00 (equivalent to approximately HK\$18,310,960.80).

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 Yulin 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 under the Xi'an Cares Yulin 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 and after taking into account the market conditions.

2. REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS

Xi'an Cares has undertaken the Western Airport Project and the Yulin Airport Project as a general contractor. Xi'an Cares is principally engaged in the provision of computer software and hardware development and data network services. The Company has the necessary qualifications, capabilities and technological skills required to carry out the relevant works 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 contract for from Xi'an Cares the relevant work as specified under the aforementioned subcontract 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. Xi Sheng, a non-executive Director, who holds positions in Eastern Holding and Eastern Airlines, has abstained from voting at the Board meeting to approve the transactions under the Xi'an Cares Subcontract Agreements. Except for the above, none of the Directors has a material interest in the transactions under the Xi'an Cares Subcontract Agreements and none of them has abstained from voting on the relevant Board resolutions.

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.

Information on CTHCL

CTHCL is a wholly PRC state-owned enterprise. As at the date of this announcement, it is a substantial Shareholder of the Company and holds approximately 29.29% 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 the group companies and its invested entities.

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
“CTHCL”	China TravelSky Holding Company Limited* (中國民航信息集團有限公司), a substantial Shareholder of the Company as at the date of this announcement
“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
“Hong Kong”	the Hong Kong Special Administrative Region

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, 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
“Western Airport Project”	the provision of data services for the China West Airport Group* (西部機場集團), which includes but not limited to, the provision of certain services thereof
“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, the Xi’an Cares Western Airport Subcontract Agreement and the Xi’an Cares Yulin Airport Subcontract Agreement
“Xi’an Cares Western Airport Subcontract Agreement”	the subcontract agreement dated 28 July 2020 between the Company and Xi’an Cares pursuant to which Xi’an Cares has agreed to subcontract to the Company the construction of the Western Airport Project
“Xi’an Cares Yulin Airport Subcontract Agreement”	the subcontract agreement dated 1 September 2020 between the Company and Xi’an Cares pursuant to which Xi’an Cares has agreed to subcontract to the Company the construction of the departure system for the Yulin Airport Project
“Yulin Airport Project”	the construction of the departure system for renovation of the Shaanxi Yulin Airport* (陝西省榆林機場), which includes but not limited to, the procurement 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\$1.10 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
1 September 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.