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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: 696)**

## **CONNECTED TRANSACTIONS**

### **SUBCONTRACT AGREEMENT WITH XI'AN CARES**

On 10 December 2013, the Company entered into the Subcontract Agreement with Xi'an Cares, pursuant to which the Company has agreed to subcontract to Xi'an Cares the overall construction of the departure system for the Delhi Airport, which includes, but not limited to, the procurement, installation and testing of the required third party software and hardware and the overall system implementation and the two-year quality warranty for the departure system.

Xi'an Cares is a connected person of the Company pursuant to Rule 14A.11(5) of the Listing Rules. As such, the Subcontract Agreement entered into between the Company and Xi'an Cares constitutes a connected transaction of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the Subcontract Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Subcontract Agreement constitute connected transactions of the Company and are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

### **SUBCONTRACT AGREEMENT**

On 10 December 2013, the Company entered into the Subcontract Agreement with Xi'an Cares, pursuant to which the Company has agreed to subcontract to Xi'an Cares the overall construction of the departure system for the Delhi Airport, which includes, but not limited to, the procurement, installation and testing of the required third party software and hardware and the overall system implementation and the two-year quality warranty for the departure system. Further details of the Subcontract Agreement are set out below:

Date: 10 December 2013

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 overall construction of the departure system for the Delhi Airport, which includes, but not limited to the procurement, installation and testing of the required third party software and hardware and the overall system implementation and the two-year quality warranty for the departure system.
Consideration:	An aggregate of RMB2,500,000 (equivalent to approximately HK\$3,150,000)
	The consideration shall be paid by the Company to Xi'an Cares in cash in five installments according to the progress of the Delhi Airport Project.
	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.

## **REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS**

The Company has undertaken the Delhi 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 and is geographically located in Northwest China. Xi'an Cares has the necessary qualification, capability and technological skills required to carry out the relevant work as specified under the Subcontract Agreement. In addition, it is also located in the same region as the Delhi Airport, and is therefore able to provide more cost-efficient services to the airport. The Board is of the view that it will be for the benefit of the Company to subcontract to Xi'an Cares the relevant work as specified under the Subcontract Agreement.

The Directors (including the independent non-executive Directors) are of the view that the transactions under the Subcontract Agreement 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.

## **IMPLICATIONS UNDER THE LISTING RULES**

Xi'an Cares is a non-wholly owned subsidiary of the Company owned as to 51% by the Company, 32% by China Eastern Airlines Northwest Company (中國東方航空西北公司) which is a branch company of Eastern Airlines, and 17% by China West Airport Group (西部機場集團). Eastern Airlines is a subsidiary of Eastern Holding. Eastern Holding is a substantial shareholder of the Company. Xi'an Cares is therefore a connected person of the Company pursuant to Rule 14A.11(5) of the Listing Rules. As such, the Subcontract Agreement entered into between the Company and Xi'an Cares constitutes a connected transaction of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the Subcontract Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Subcontract Agreement constitute connected transactions of the Company and are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

Mr. Cai, Kevin Yang has abstained from voting on the Subcontract Agreement as he is the chief information officer of Eastern Airlines. Except for the above, none of the Directors has a material interest in the transactions contemplated under the Subcontract Agreement and none of them has abstained from voting on the relevant board resolutions.

## **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.

## **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”	has the same meaning as ascribed to it under the Listing Rules
“Delhi Airport”	青海德令哈機場 (Qinghai Delhi Airport*)
“Delhi Airport Project”	the overall construction of the departure system of the Delhi Airport
“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*), 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*), 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 and the Macau Special Administrative Region
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subcontract Agreement”	the subcontract agreement dated 10 December 2013 between the Company and Xi’an Cares pursuant to which the Company has agreed to subcontract to Xi’an Cares the overall construction of the departure system of the Delhi airport
“Xi’an Cares”	西安民航凱亞科技有限公司 (Civil Aviation Cares Technology of Xi’an Ltd.*)
“%”	per cent

\* *for identification purposes only*

*For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.26 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  
10 December 2013

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

*Executive Directors: Mr. Xu Qiang (Chairman), Mr. Cui Zhixiong and Mr. Xiao Yinhong;*

*Non-executive Directors: Mr. Wang Quanhua, Mr. Sun Yude and Mr. Cai, Kevin Yang;*

*Independent non-executive Directors: Mr. Cheung Yuk Ming, Mr. Pan Chongyi and Mr. Zhang Hainan.*