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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 :
QINGDAO CARES SUBCONTRACT AGREEMENTS

On 10 May 2019, the Company entered into the Technology Development Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the Nationalization and Open Sourcing Research Project for products in relation to airport ground operation, which includes but not limited to, the provision of technology development services for such project.

On 30 May 2019, the Company entered into the Lhasa Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the facial recognition & ID authentication system for the Lhasa Airport Project, which includes but not limited to, the procurement and delivery of the required hardware and software as well as the one-year quality warranty for the facial recognition & ID authentication system.

On 24 June 2019, the Company entered into the Kangding Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the weak current information system for the Kangding Airport Project, which includes but not limited to, the procurement and delivery of the required hardware and software as well as the two-year quality warranty for the weak current information system.

On 12 August 2019, the Company entered into the Wuliangye Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the weak current information system for the Wuliangye Airport Project, which includes but not limited to, the procurement and delivery of the required software as well as the two-year quality warranty for the weak current information system.

On 15 August 2019, the Company entered into the Sanya Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the airport collaborative decision-making (A-CDM) system for the Sanya Airport

Project, which includes but not limited to, the installation and testing of the required hardware and software as well as the one-year quality warranty for the airport collaborative decision-making (A-CDM) system.

On 26 September 2019, the Company entered into the Houshayu Intelligent Park Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the Houshayu Intelligent Park 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 two-year quality warranty for the Houshayu Intelligent Park Project.

Qingdao Cares is a non-wholly-owned subsidiary of the Company, which is owned as to 51% by the Company, 36% by Qingdao International Airport Company* (青島國際機場集團有限公司) and 13% by 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). Shanghai Civil Aviation East China Cares System Integration Co., Ltd.* is owned as to 41% by Eastern Airlines. 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. Qingdao Cares is therefore a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Qingdao Cares Subcontract Agreements constitute connected transactions of the Company.

Since the highest applicable percentage ratio calculated with reference to the consideration under the Qingdao Cares Subcontract Agreements is more than 0.1% but less than 5%, the transactions contemplated under the Qingdao 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. QINGDAO CARES SUBCONTRACT AGREEMENTS

On 10 May 2019, the Company entered into the Technology Development Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the Nationalization and Open Sourcing Research Project for products in relation to airport ground operation, which includes but not limited to, the provision of technology development services for such project.

On 30 May 2019, the Company entered into the Lhasa Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the facial recognition & ID authentication system for the Lhasa Airport Project, which includes but not limited to, the procurement and delivery of the required hardware and software as well as the one-year quality warranty for the facial recognition & ID authentication system.

On 24 June 2019, the Company entered into the Kangding Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the weak current information system for the Kangding Airport Project, which includes but not limited to, the procurement and delivery of the required hardware and software as well as the two-year quality warranty for the weak current information system.

On 12 August 2019, the Company entered into the Wuliangye Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the weak current information system for the Wuliangye Airport Project, which includes but not limited to, the procurement and delivery of the required software as well as the two-year quality warranty for the weak current information system.

On 15 August 2019, the Company entered into the Sanya Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the airport collaborative decision-making (A-CDM) system for the Sanya Airport Project, which includes but not limited to, the installation and testing of the required hardware and software as well as the one-year quality warranty for the airport collaborative decision-making (A-CDM) system.

On 26 September 2019, the Company entered into the Houshayu Intelligent Park Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the Houshayu Intelligent Park 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 two-year quality warranty for the Houshayu Intelligent Park Project.

Further details of Qingdao Cares Subcontract Agreements are set out below:

1.1 Technology Development Agreement

Date:	10 May 2019
Parties:	(1) the Company (as contractor); and (2) Qingdao Cares (as subcontractor)
Scope of work:	The Company will subcontract to Qingdao Cares the construction of the Nationalization and Open Sourcing Research Project for products in relation to airport ground operation, which includes but not limited to, the provision of technology development services for such project.

Consideration: The consideration is determined based on the actual labour costs incurred and shall not exceed RMB2,950,000.00 (equivalent to approximately HK\$3,274,500.00).

RMB1,788,000.00 shall be paid in one lump sum within 30 working days from the date on which the Technology Development Agreement comes into effect. Quarterly payments will be made according to the actual labour costs incurred. The remaining 10% of the consideration shall be paid upon the acceptance to the project by the Company.

The parties may enter into a supplemental agreement to amend the consideration according to the actual provision of services under the Technology Development 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 technical services and after taking into account the market conditions.

1.2 Lhasa Airport Subcontract Agreement

Date: 30 May 2019

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

Scope of work: The Company will subcontract to Qingdao Cares the construction of the facial recognition & ID authentication system for the Lhasa Airport Project, which includes but not limited to, the procurement and delivery of the required hardware and software as well as the one-year quality warranty for the facial recognition & ID authentication system.

Consideration: RMB429,000.00 (equivalent to approximately HK\$476,190.00)

The consideration shall be paid by the Company to Qingdao Cares in two instalments according to the project progress as scheduled in the Lhasa 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 hardware and the provision of services under the Lhasa 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 hardware including the necessary technical support services and after taking into account the market conditions.

1.3 Kangding Airport Subcontract Agreement

Date: 24 June 2019

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

Scope of work: The Company will subcontract to Qingdao Cares the construction of the weak current information system for the Kangding Airport Project, which includes but not limited to, the procurement and delivery of the required hardware and software as well as the two-year quality warranty for the weak current information system.

Consideration: RMB1,784,980.00 (equivalent to approximately HK\$1,981,327.80)

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

1.4 Wuliangye Airport Subcontract Agreement

Date: 12 August 2019

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

Scope of work: The Company will subcontract to Qingdao Cares the construction of the weak current information system for the Wuliangye Airport Project, which includes but not limited to, the procurement and delivery of the required software as well as the two-year quality warranty for the weak current information system.

Consideration: RMB700,000.00 (equivalent to approximately HK\$777,000.00)

The consideration shall be paid by the Company to Qingdao Cares in four instalments according to the project progress as scheduled in the Wuliangye 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 Wuliangye 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.

1.5 Sanya Airport Subcontract Agreement

Date: 15 August 2019

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

Scope of work: The Company will subcontract to Qingdao Cares the construction of the airport collaborative decision-making (A-CDM) system for the Sanya Airport Project, which includes but not limited to, the installation and testing of the required hardware and software as well as the one-year quality warranty for the airport collaborative decision-making (A-CDM) system.

Consideration: RMB1,386,146.10 (equivalent to approximately HK\$1,538,622.17)

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

The parties may enter into a supplemental agreement to amend the consideration according to the actual provision of services under the Sanya 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.

1.6 Houshayu Intelligent Park Subcontract Agreement

Date: 26 September 2019

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

Scope of work: The Company will subcontract to Qingdao Cares the construction of the Houshayu Intelligent Park 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 two-year quality warranty for the Houshayu Intelligent Park Project.

Consideration: RMB10,496,870.00 (equivalent to approximately HK\$11,651,525.70)

The consideration shall be paid by the Company to Qingdao Cares in certain instalments according to the delivery and acceptance progress as scheduled in the Houshayu Intelligent Park 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 software, and the provision of services under the Houshayu Intelligent Park 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 each of the Nationalization and Open Sourcing Research Project, the Lhasa Airport Project, the Kangding Airport Project, the Wuliangye Airport Project, the Sanya Airport Project and the Houshayu Intelligent Park Project as a general contractor. Qingdao Cares is principally engaged in the provision of computer software and hardware development and data network services. Qingdao Cares has the necessary qualifications, capabilities and technological skills required to carry out the relevant works as specified under the Qingdao Cares Subcontract Agreements.

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

Qingdao Cares is a non-wholly-owned subsidiary of the Company, which is owned as to 51% by the Company, 36% by Qingdao International Airport Company* (青島國際機場集團有限公司) and 13% by 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). Shanghai Civil Aviation East China Cares System Integration Co., Ltd.* is owned as to 41% by Eastern Airlines. 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. Qingdao Cares is therefore a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Qingdao Cares Subcontract Agreements constitute connected transactions of the Company.

Since the highest applicable percentage ratio calculated with reference to the consideration under the Qingdao Cares Subcontract Agreements is more than 0.1% but less than 5%, the transactions contemplated under the Qingdao 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. Tang Bing, a non-executive Director then, who holds positions in Eastern Holding and Eastern Airlines, has abstained from voting at the Board meeting to approve the transactions under the Qingdao Cares Subcontract Agreements. Except for the above, none of the Directors has a material interest in the transactions under the Qingdao 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 Qingdao Cares

Qingdao 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
“Houshayu Intelligent Park Project”	the construction of the project for the TravelSky Houshayu Intelligent Park* (中國航信後沙峪智慧園區), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“Houshayu Intelligent Park Subcontract Agreement”	the subcontract agreement dated 26 September 2019 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the Houshayu Intelligent Park Project
“Kangding Airport Project”	the construction of the week current information system of the Sichuan Kangding Airport* (四川省康定機場), which includes but not limited to, the procurement and delivery of certain systems thereof

“Kangding Airport Subcontract Agreement”	the subcontract agreement dated 24 June 2019 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the week current information system for the Kangding Airport Project
“Lhasa Airport Project”	the construction of the facial recognition & ID authentication system of the Lhasa Airport* (拉薩機場), which includes but not limited to, the procurement and delivery of certain systems thereof
“Lhasa Airport Subcontract Agreement”	the subcontract agreement dated 30 May 2019 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the facial recognition & ID authentication system for the Lhasa Airport Project
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Nationalization and Open Sourcing Research Project”	the construction of the nationalization and open sourcing research project for products in relation to airport ground operation, which includes but not limited to, the provision of certain services thereof
“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
“Qingdao Cares”	Civil Aviation Cares of Qingdao Limited* (青島民航凱亞系統集成有限公司)
“RMB”	Renminbi, the lawful currency of the PRC
“Sanya Airport Project”	the construction of the airport collaborative decision-making (A-CDM) system of the Sanya Airport* (三亞機場), which includes but not limited to, the installation, testing and implementation of certain systems thereof

“Sanya Airport Subcontract Agreement”	the subcontract agreement dated 15 August 2019 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the airport collaborative decision-making (A-CDM) system for the Sanya Airport Project
“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
“Technology Development Agreement”	the technology development agreement dated 10 May 2019 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the Nationalization and Open Sourcing Research Project for products in relation to airport ground operation
“Wuliangye Airport Project”	the construction of the week current information system of the Sichuan Yibin Wuliangye Airport* (四川省宜賓五糧液機場), which includes but not limited to, the procurement and delivery of certain systems thereof
“Wuliangye Airport Subcontract Agreement”	the subcontract agreement dated 12 August 2019 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the week current information system for the Wuliangye Airport Project
“%”	per cent

* for identification purposes only

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.11 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
26 September 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. Han Wensheng, Mr. Zhao Xiaohang and Mr. Xi Sheng;

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