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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 26 December 2019, the Company entered into the Boarding Gate Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the Boarding Gate Face Recognition System Project, which includes but not limited to, the installation and testing of the required software and hardware and the overall system implementation as well as the one-year quality warranty for the Boarding Gate Face Recognition System Project.

On 28 December 2019, Xinjiang Cares entered into the Urumchi Airport Subcontract Agreement with Qingdao Cares, pursuant to which Xinjiang Cares has agreed to subcontract to Qingdao Cares the construction of the airport collaborative decision-making (A-CDM) system for the Urumchi Airport Project, which includes but not limited to, the procurement, delivery, installation and testing of the required software and the overall system implementation as well as the five-year quality warranty for the airport collaborative decision-making (A-CDM) system.

On 15 January 2020, the Company entered into the Guangdong Province 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 and the airport ground vehicle operations management system for the Guangdong Province Airport Project, which includes but not limited to, the installation and testing of the required software and the overall system implementation as well as the five-year quality warranty for the airport collaborative decision-making (A-CDM) system and the airport ground vehicle operations management system.

Xinjiang Cares is a non-wholly owned subsidiary of the Company. 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 26 December 2019, the Company entered into the Boarding Gate Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the Boarding Gate Face Recognition System Project, which includes but not limited to, the installation and testing of the required software and hardware and the overall system implementation as well as the one-year quality warranty for the Boarding Gate Face Recognition System Project.

On 28 December 2019, Xinjiang Cares entered into the Urumchi Airport Subcontract Agreement with Qingdao Cares, pursuant to which Xinjiang Cares has agreed to subcontract to Qingdao Cares the construction of the airport collaborative decision-making (A-CDM) system for the Urumchi Airport Project, which includes but not limited to, the procurement, delivery, installation and testing of the required software and the overall system implementation as well as the five-year quality warranty for the airport collaborative decision-making (A-CDM) system.

On 15 January 2020, the Company entered into the Guangdong Province 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 and the airport ground vehicle operations management system for the Guangdong Province Airport Project, which includes but not limited to, the installation and testing of the required software and the overall system implementation as well as the five-year quality warranty for the airport collaborative decision-making (A-CDM) system and the airport ground vehicle operations management system.

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

1.1 Boarding Gate Subcontract Agreement

Date: 26 December 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 Boarding Gate Face Recognition System Project, which includes but not limited to, the installation and testing of the required software and hardware and the overall system implementation as well as the one-year quality warranty for the Boarding Gate Face Recognition System Project.

Consideration: RMB188,800.00 (equivalent to approximately HK\$209,568.00)

The consideration shall be paid by the Company to Qingdao Cares in one lump sum according to the project progress as scheduled in the Boarding Gate Subcontract Agreement.

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

1.2 Urumchi Airport Subcontract Agreement

Date: 28 December 2019

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

Scope of work: Xinjiang Cares will subcontract to Qingdao Cares the construction of the airport collaborative decision-making (A-CDM) system for the Urumchi Airport Project, which includes but not limited to, the procurement, delivery, installation and testing of the required software and the overall system implementation as well as the five-year quality warranty for the airport collaborative decision-making (A-CDM) system.

Consideration: RMB4,400,000.00 (equivalent to approximately HK\$4,884,000.00)

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

1.3 Guangdong Province Airport Subcontract Agreement

Date: 15 January 2020

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 and the airport ground vehicle operations management system for the Guangdong Province Airport Project, which includes but not limited to, the installation and testing of the required software and the overall system implementation as well as the five-year quality warranty for the airport collaborative decision-making (A-CDM) system and the airport ground vehicle operations management system.

Consideration: RMB8,460,000.00 (equivalent to approximately HK\$9,390,600.00)

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

The parties may enter into a supplemental agreement to amend the consideration according to the actual provision of services under the Guangdong Province 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 technical 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 Boarding Gate Face Recognition System Project and the Guangdong Province Airport Project as a general contractor and Xinjiang Cares has undertaken the Urumchi Airport 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 Board is of the view that it will be for the benefit of the Company that the Company and Xinjiang Cares subcontract to Qingdao 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 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

Xinjiang Cares is a non-wholly owned subsidiary of the Company. 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 Xinjiang Cares

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

Information on Qingdao Cares

Qingdao 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
“Boarding Gate Face Recognition System Project”	the construction of the boarding gate face recognition system, which includes but not limited to, the installation, testing and implementation of certain systems thereof
“Boarding Gate Subcontract Agreement”	the subcontract agreement dated 26 December 2019 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the Boarding Gate Face Recognition System Project

“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 depository 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
“Guangdong Province Airport Project”	the construction of the airport collaborative decision-making (A-CDM) system and the airport ground vehicle operations management system for the Jieyang Chaoshan Airport* (揭陽潮汕機場), Zhanjiang Airport* (湛江機場), Meizhou Airport* (梅州機場) and Huizhou Airport* (惠州機場), which includes but not limited to, the installation, testing and implementation of certain systems thereof
“Guangdong Province Airport Subcontract Agreement”	the subcontract agreement dated 15 January 2020 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 and the airport ground vehicle operations management system for the Guangdong Province Airport Project
“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

“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)
“Qingdao Cares Subcontract Agreements”	collectively, the Boarding Gate Subcontract Agreement, the Urumchi Airport Subcontract Agreement and the Guangdong Province Airport Subcontract Agreement
“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
“substantial shareholder”	has the same meaning as ascribed to it under the Listing Rules
“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules
“Urumchi Airport Project”	the construction of the airport collaborative decision-making (A-CDM) system for the Urumchi Airport* (烏魯木齊機場), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“Urumchi Airport Subcontract Agreement”	the subcontract agreement dated 28 December 2019 between Xinjiang Cares and Qingdao Cares pursuant to which Xinjiang Cares has agreed to subcontract to Qingdao Cares the construction of the airport collaborative decision-making (A-CDM) system for the Urumchi Airport Project
“Xinjiang Cares”	Civil Aviation Cares Technology of Xinjiang Ltd* (新疆民航凱亞信息網絡有限責任公司)
“%”	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
15 January 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. Han Wensheng, Mr. Zhao Xiaohang and Mr. Xi Sheng;

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