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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 16 January 2020, the Company entered into the Qingdao Cares Ordos 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, integration system and security inspection system for the Ordos 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, integration system and security inspection system.

On 17 July 2020, Qingdao Cares entered into the Qingdao Cares Urumqi International Airport Subcontract Agreement with Xinjiang Cares, pursuant to which Qingdao Cares has agreed to subcontract to Xinjiang Cares the construction of the weak current renovation program for the Urumqi International Airport Project, which includes but not limited to, the procurement, installation and testing of the required hardware and software as well as the two-year quality warranty for the weak current renovation program.

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 16 January 2020, the Company entered into the Qingdao Cares Ordos 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, integration system and security inspection system for the Ordos 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, integration system and security inspection system.

On 17 July 2020, Qingdao Cares entered into the Qingdao Cares Urumqi International Airport Subcontract Agreement with Xinjiang Cares, pursuant to which Qingdao Cares has agreed to subcontract to Xinjiang Cares the construction of the weak current renovation program for the Urumqi International Airport Project, which includes but not limited to, the procurement, installation and testing of the required hardware and software as well as the two-year quality warranty for the weak current renovation program.

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

### **1.1 Qingdao Cares Ordos Airport Subcontract Agreement**

Date:	16 January 2020
Parties:	(1) the Company (as contractor); (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, integration system and security inspection system for the Ordos 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, integration system and security inspection system.

Consideration: RMB1,400,000.00 (equivalent to approximately HK\$1,540,000.00).

The consideration shall be paid by the Company to Qingdao Cares in four instalments according to the project progress as scheduled in the Qingdao Cares Ordos Airport 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 under the Qingdao Cares Ordos 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 hardware and software and after taking into account the market conditions.

## **1.2 Qingdao Cares Urumqi International Airport Subcontract Agreement**

Date: 17 July 2020

Parties: (1) Qingdao Cares (as contractor); and

(2) Xinjiang Cares (as subcontractor)

Scope of work: Qingdao Cares will subcontract to Xinjiang Cares the construction of the weak current renovation program for the Urumqi International Airport Project, which includes but not limited to, the procurement, installation and testing of the required hardware and software as well as the two-year quality warranty for the weak current renovation program.

Consideration: RMB21,383,883.00 (equivalent to approximately HK\$23,522,271.30).

The consideration shall be paid by Qingdao Cares to Xinjiang Cares in five instalments according to the project progress as scheduled in the Qingdao Cares Urumqi 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 hardware and software under the Qingdao Cares Urumqi 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 hardware and software and after taking into account the market conditions.

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

The Company has undertaken the Ordos Airport Project as a general contractor and Qingdao Cares has undertaken the Urumqi International Airport Project as a general contractor. Each of Xinjiang Cares and Qingdao Cares is principally engaged in the provision of computer software and hardware development and data network services. Each of Xinjiang Cares and 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 subcontracts to Qingdao Cares and Qingdao Cares subcontracts to Xinjiang 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 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. 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 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 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.

**Information on Xinjiang Cares**

Xinjiang 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
“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
“Ordos Airport Project”	the construction of the airport collaborative decision-making (A-CDM) system, integration system and security inspection system of Ordos Ejin Horo International Airport* (鄂爾多斯伊金霍洛國際機場), which includes but not limited to, the installation, testing and implementation of certain systems thereof
“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 Hong Kong, 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 Ordos Airport Subcontract Agreement”	the subcontract agreement dated 16 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, integration system and security inspection system for the Ordos Airport Project

“Qingdao Cares Subcontract Agreements”	collectively, the Qingdao Cares Ordos Airport Subcontract Agreement and the Qingdao Cares Urumqi International Airport Subcontract Agreement
“Qingdao Cares Urumqi International Airport Subcontract Agreement”	the subcontract agreement dated 17 July 2020 between Qingdao Cares and Xinjiang Cares pursuant to which Qingdao Cares has agreed to subcontract to Xinjiang Cares the construction of the weak current renovation program for the Urumqi International Airport Project
“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
“Urumqi International Airport Project”	the construction of the weak current renovation program of the Urumqi International Airport* (烏魯木齊國際機場), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“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\$1.10 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  
17 July 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.*