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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 4 January 2018, the Company entered into the Qingdao Cares Zhengzhou Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the passenger self-service system for the Zhengzhou Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the three-year quality warranty for the passenger self-service system.

On 5 January 2018, the Company entered into the Qingdao Cares Xingyi Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the flight information display and broadcast integrated system for the Xingyi Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and the overall system implementation and the two-year quality warranty for the flight information display and broadcast integrated system.

On 19 January 2018, the Company entered into the Qingdao Cares Changsha Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the wireless apron dispatching system for the Changsha Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the five-year quality warranty for the wireless apron dispatching system.

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 Changsha Airport Subcontract Agreement in aggregate with the Qingdao Cares Zhengzhou Airport Subcontract Agreement and the Qingdao Cares Xingyi Airport Subcontract Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Qingdao Cares Changsha Airport Subcontract Agreement is 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 4 January 2018, the Company entered into the Qingdao Cares Zhengzhou Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the passenger self-service system for the Zhengzhou Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the three-year quality warranty for the passenger self-service system.

On 5 January 2018, the Company entered into the Qingdao Cares Xingyi Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the flight information display and broadcast integrated system for the Xingyi Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and the overall system implementation and the two-year quality warranty for the flight information display and broadcast integrated system.

On 19 January 2018, the Company entered into the Qingdao Cares Changsha Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the wireless apron dispatching system for the Changsha Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the five-year quality warranty for the wireless apron dispatching system.

Details of the Qingdao Cares Subcontract Agreements are set out below:

1.1 Qingdao Cares Zhengzhou Airport Subcontract Agreement

Date: 4 January 2018

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 passenger self-service system for the Zhengzhou Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the three-year quality warranty for the passenger self-service system.

Consideration: RMB880,000.00 (equivalent to approximately HK\$1,064,800.00)

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

1.2 Qingdao Cares Xingyi Airport Subcontract Agreement

Date: 5 January 2018

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 flight information display and broadcast integrated system for the Xingyi Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and the overall system implementation and the two-year quality warranty for the flight information display and broadcast integrated system.

Consideration: RMB700,000.00 (equivalent to approximately HK\$847,000.00)

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 Xingyi 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 Qingdao Cares Xingyi 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 Qingdao Cares Changsha Airport Subcontract Agreement

Date: 19 January 2018

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 wireless apron dispatching system for the Changsha Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the five-year quality warranty for the wireless apron dispatching system.

Consideration: RMB4,124,570.00 (equivalent to approximately HK\$4,990,729.70)

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

2. REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS

The Company has undertaken each of the Zhengzhou Airport Project, the Xingyi Airport Project and the Changsha 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 each of the Qingdao Cares Zhengzhou Airport Subcontract Agreement, the Qingdao Cares Xingyi Airport Subcontract Agreement and the Qingdao Cares Changsha Airport Subcontract Agreement. The Board is of the view that it will be for the benefit of the Company to subcontract to Qingdao Cares the relevant works 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

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 Changsha Airport Subcontract Agreement in aggregate with the Qingdao Cares Zhengzhou Airport Subcontract Agreement and the Qingdao Cares Xingyi Airport Subcontract Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Qingdao Cares Changsha Airport Subcontract Agreement is subject to the announcement requirement but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

Mr. Li Yangmin, a non-executive Director, has abstained from voting on the Board resolution in relation to the Qingdao Cares Subcontract Agreements as he is a director of Eastern Airlines and an employee of Eastern Holding. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Qingdao Cares Subcontract Agreements, and none of them has abstained from voting on the relevant Board resolution.

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
“Changsha Airport Project”	the construction of the wireless apron dispatching system of the Changsha Huanghua International Airport* (長沙黃花國際機場), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“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 Limited* (中國東方航空集團公司), 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
“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, 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 Changsha Airport Subcontract Agreement”	the subcontract agreement dated 19 January 2018 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the wireless apron dispatching system for the Changsha Airport Project
“Qingdao Cares Subcontract Agreements”	collectively, the Qingdao Cares Zhengzhou Airport Subcontract Agreement, the Qingdao Cares Xingyi Airport Subcontract Agreement and the Qingdao Cares Changsha Airport Subcontract Agreement
“Qingdao Cares Xingyi Airport Subcontract Agreement”	the subcontract agreement dated 5 January 2018 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the flight information display and broadcast integrated system for the Xingyi Airport Project
“Qingdao Cares Zhengzhou Airport Subcontract Agreement”	the subcontract agreement dated 4 January 2018 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the passenger self-service system for the Zhengzhou 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

“Xingyi Airport Project”	the construction of the flight information display and broadcast integrated system of the Xingyi Wanfenlin Airport* (興義萬峰林機場), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“Zhengzhou Airport Project”	the construction of the passenger self-service system of the Zhengzhou Xinzheng International Airport* (鄭州新鄭國際機場), which includes but not limited to, the procurement, installation, testing and implementation 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\$1.21 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 order of the Board
TravelSky Technology Limited
Cui Zhixiong
Chairman

Beijing, PRC
19 January 2018

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

Executive Directors: Mr. Cui Zhixiong (Chairman) and Mr. Xiao Yinhong;

Non-executive Directors: Mr. Cao Jianxiong, Mr. Li Yangmin and Mr. Yuan Xin'an;

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