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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: 0696)

CONNECTED TRANSACTION: SUBCONTRACT AGREEMENT WITH XI'AN CARES

On 5 March 2015, 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 and security inspection information system for the Yuncheng 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 two-year quality warranty for the departure system and security inspection information system.

Xi'an Cares is a connected person of the Company pursuant to Rule 14A.07(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 Percentage Ratio calculated with reference to the aggregated consideration under the Subcontract Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Subcontract Agreement are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

1. SUBCONTRACT AGREEMENT

On 5 March 2015, 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 and security inspection information system for the Yuncheng 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 two-year quality warranty for the departure system and security inspection information system. Further details of the Subcontract Agreement are set out below:

Date: 5 March 2015

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 and security inspection information system for the Yuncheng 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 two-year quality warranty for the departure system and security inspection information system.

Consideration: An aggregate of RMB2,230,000 (equivalent to approximately HK\$2,765,200) including RMB1,358,000 (equivalent to approximately HK\$1,683,920) for the consideration of the procurement of the software, RMB502,000 (equivalent to approximately HK\$622,480) for the consideration of the procurement of the hardware, and RMB370,000 (equivalent to approximately HK\$458,800) for the consideration of the implementation and costs of auxiliary materials.

The consideration shall be paid by the Company to Xi'an Cares in a lump sum within 10 working days upon receipt of the relevant invoices which will be issued by the Company after the signing of the 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 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 TRANSACTION

The Company has undertaken the Yuncheng Airport Project as the general contractor. Xi'an Cares is principally engaged in the provision of computer software and hardware development and data network services. Xi'an Cares has the necessary qualification, capability and technological skills required to carry out the relevant work as specified under the Subcontract Agreement. 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.

3. IMPLICATIONS UNDER THE LISTING RULES

Xi'an Cares is a non-wholly owned subsidiary of the Company which is owned as to 51% by the Company, 32% by 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.07(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 Percentage Ratio calculated with reference to the aggregated consideration under the Subcontract Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Subcontract Agreement 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 an employee of Eastern Airlines. Save as disclosed 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.

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 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.

5. DEFINITIONS

In this announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:–

“associate(s)”	have the same meaning ascribed to it under the Listing Rules
“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
“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*) which has a shareholding of 0.27% in the Company and is 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*) which has a shareholding of 11.22% in the Company and is 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 5 March 2015 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 and the security inspection information system for Yuncheng Airport Project
“subsidiary(ies)”	have the same meaning ascribed to it under the Listing Rules
“Xi’an Cares”	西安民航凱亞科技有限公司 (Civil Aviation Cares Technology of Xi’an Ltd.*)
“Yuncheng Airport”	運城關公機場 (Yuncheng Guangong Airport*)
“Yuncheng Airport Project”	the overall construction of the departure system and security inspection information system for the reconstruction of the terminal 1 of the Yuncheng Airport
“%”	per cent

* for identification purposes only

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.24 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
Yu Xiaochun
Company Secretary

Beijing, PRC
5 March 2015

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

Executive Directors: Mr. Cui Zhixiong and Mr. Xiao Yinhong;

Non-executive Directors: Mr. Wang Quanhua, Mr. Cao Jianxiong and Mr. Cai, Kevin Yang;

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