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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 TRANSACTION : HUADONG CARES SUBCONTRACT AGREEMENT

On 19 March 2019, the Company entered into the Huadong Cares Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the departure system for the Ningbo Airport 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 three-year quality warranty for the departure system.

Huadong Cares is owned as to 41% by the Company and over 30% by Eastern Airlines as at the date of this announcement. Eastern Airlines is a subsidiary of Eastern Holding, a substantial shareholder of the Company. As such, Huadong Cares is a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Therefore, the transaction contemplated under the Huadong Cares Subcontract Agreement entered into between the Company and Huadong Cares constitutes a connected transaction of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the consideration under the Huadong Cares Subcontract Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Huadong Cares Subcontract Agreement is subject to the announcement requirement but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

1. HUADONG CARES SUBCONTRACT AGREEMENT

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Further details of the Huadong Cares Subcontract Agreement are set out below:

Date: 19 March 2019

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

Scope of work: The Company will subcontract to Huadong Cares the construction of the departure system for the Ningbo Airport 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 three-year quality warranty for the departure system.

Consideration: RMB29,810,930.00 (equivalent to approximately HK\$34,878,788.10)

The consideration shall be paid by the Company to Huadong Cares in four instalments according to the project progress as scheduled in the Huadong Cares 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 Huadong Cares 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 Ningbo Airport Project as a general contractor. Huadong Cares is principally engaged in the provision of computer software and hardware development and data network services. Huadong Cares has the necessary qualification, capability and technological skill required to carry out the relevant work as specified under the Huadong Cares Subcontract Agreement. The Board is of the view that it will be for the benefit of the Company to subcontract to Huadong Cares the relevant work as specified under the aforementioned agreement.

The Directors (including the independent non-executive Directors) are of the view that the transaction under the Huadong Cares 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 transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. IMPLICATIONS UNDER THE LISTING RULES

Huadong Cares is owned as to 41% by the Company and over 30% by Eastern Airlines as at the date of this announcement. Eastern Airlines is a subsidiary of Eastern Holding, a substantial shareholder of the Company. As such, Huadong Cares is a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Therefore, the transaction contemplated under the Huadong Cares Subcontract Agreement entered into between the Company and Huadong Cares constitutes a connected transaction of the Company.

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Mr. Li Yangmin, a non-executive Director then, has abstained from voting on the resolution in relation to the Huadong Cares Subcontract Agreement 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 transaction contemplated under the Huadong Cares Subcontract Agreement, 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 Huadong Cares

Huadong 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
“Huadong Cares”	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)
“Huadong Cares Subcontract Agreement”	the subcontract agreement dated 19 March 2019 between the Company and Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the departure system for the Ningbo Airport Project
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Ningbo Airport Project”	the construction of the departure system of Ningbo Lishe International Airport* (寧波櫟社國際機場) for expansion of the new-established terminal, which includes but not limited to, the procurement, 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 the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“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
“%”	per cent

* *for identification purposes only*

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.17 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
19 March 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. Cao Jianxiong, Mr. Tang Bing and Mr. Han Wensheng;

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