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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 2019, the Company entered into the Qingdao Cares Hailar Airport Subcontract Agreement with Qingdao Cares, pursuant to which Qingdao Cares has agreed to subcontract to the Company the construction of the self-service check-in system for the Hailar 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 grant of right to use four self-service check-in equipment for a term of five years and the one-year quality warranty for the self-service check-in equipment.

On 16 January 2019, the Company entered into the Qingdao Cares Two Airports (Ordos and Jiansanjiang) Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the facial recognition & ID authentication system for the Two Airports (Ordos and Jiansanjiang) 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 one-year quality warranty for the facial recognition & ID authentication system.

On 16 January 2019, the Company entered into the Qingdao Cares Liuting Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of ACDM system for the Liuting 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 one-year quality warranty for the ACDM system.

On 30 January 2019, the Company entered into the Qingdao Cares Ulanqab Airport Subcontract Agreement with Qingdao Cares, pursuant to which Qingdao Cares has agreed to subcontract to the Company the construction of the weak current renovation program for the Ulanqab Airport Project, which includes, but not limited to, the procurement and delivery of the required software and hardware as well as the two-year quality warranty for the departure and security inspection software.

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 considerations under the Qingdao Cares Subcontract Agreements on an aggregate basis 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 2019, the Company entered into the Qingdao Cares Hailar Airport Subcontract Agreement with Qingdao Cares, pursuant to which Qingdao Cares has agreed to subcontract to the Company the construction of the self-service check-in system for the Hailar 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 grant of right to use four self-service check-in equipment for a term of five years and the one-year quality warranty for the self-service check-in equipment.

On 16 January 2019, the Company entered into the Qingdao Cares Two Airports (Ordos and Jiansanjiang) Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the facial recognition & ID authentication system for the Two Airports (Ordos and Jiansanjiang) 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 one-year quality warranty for the facial recognition & ID authentication system.

On 16 January 2019, the Company entered into the Qingdao Cares Liuting Airport Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of ACDM system for the Liuting 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 one-year quality warranty for the ACDM system.

On 30 January 2019, the Company entered into the Qingdao Cares Ulanqab Airport Subcontract Agreement with Qingdao Cares, pursuant to which Qingdao Cares has agreed to subcontract to the Company the construction of the weak current renovation program for the Ulanqab Airport Project, which includes, but not limited to, the procurement and delivery of the required software and hardware as well as the two-year quality warranty for the departure and security inspection software.

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

**1.1 Qingdao Cares Hailar Airport Subcontract Agreement**

Date: 16 January 2019

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

Scope of work: Qingdao Cares will subcontract to the Company the construction of the self-service check-in system for the Hailar 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 grant of right to use four self-service check-in equipment for a term of five years as well as the one-year quality warranty for the self-service check-in equipment.

Consideration: RMB1,200,000.00 (equivalent to approximately HK\$1,380,000.00)

The consideration shall be paid by Qingdao Cares to the Company in a lump sum according to the project progress as scheduled in the Qingdao Cares Hailar 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 Hailar 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 Two Airports (Ordos and Jiansanjiang) Subcontract Agreement**

Date: 16 January 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 facial recognition & ID authentication system for the Two Airports (Ordos and Jiansanjiang) 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 one-year quality warranty for the facial recognition & ID authentication system.

Consideration: RMB739,360.00 (equivalent to approximately HK\$850,264.00)

The consideration shall be paid by the Company to Qingdao Cares in three instalments according to the project progress as scheduled in the Qingdao Cares Two Airports (Ordos and Jiansanjiang) 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 Two Airports (Ordos and Jiansanjiang) 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.

### **1.3 Qingdao Cares Liuting Airport Subcontract Agreement**

Date: 16 January 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 ACDM system for the Liuting 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 one-year quality warranty for the ACDM system.

Consideration: RMB2,270,000.00 (equivalent to approximately HK\$2,610,500.00)

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 Liuting 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 Liuting 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.

## 1.4 Qingdao Cares Ulanqab Airport Subcontract Agreement

Date: 30 January 2019

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

Scope of work: Qingdao Cares will subcontract to the Company the construction of the weak current renovation program for the Ulanqab Airport Project, which includes, but not limited to, the procurement and delivery of the required software and hardware as well as the two-year quality warranty for the departure and security inspection software.

Consideration: RMB7,285,612.00 (equivalent to approximately HK\$8,378,453.80)

The consideration shall be paid by Qingdao Cares to the Company in two instalments according to the project progress as scheduled in the Qingdao Cares Ulanqab 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 Ulanqab 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 the Two Airports (Ordos and Jiansanjiang) Project and Liuting Airport Project as a general contractor, and has undertaken the Hailar Airport Project and Ulanqab Airport Project from Qingdao Cares. Qingdao Cares is principally engaged in the provision of computer software and hardware development and data network services. Both

Qingdao Cares and the Company have 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 to subcontract to Qingdao Cares and contract for from Qingdao Cares the relevant work as specified under the aforementioned subcontract agreement.

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 considerations under the Qingdao Cares Subcontract Agreements on an aggregate basis 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. Li Yangmin, a non-executive Director then, 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
“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



“Hailar Airport Project”	the construction of the self-service check-in system for the Hailar Airport* (海拉爾機場), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“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
“Liuting Airport Project”	the construction of ACDM system for the Qingdao Liuting International Airport* (青島流亭國際機場), 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
“Qingdao Cares”	Civil Aviation Cares of Qingdao Limited* (青島民航凱亞系統集成有限公司)
“Qingdao Cares Hailar Airport Subcontract Agreement”	the subcontract agreement dated 16 January 2019 between the Company and Qingdao Cares pursuant to which Qingdao Cares has agreed to subcontract to the Company the construction of the self-service check-in system for the Hailar Airport Project
“Qingdao Cares Liuting Airport Subcontract Agreement”	the subcontract agreement dated 16 January 2019 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of ACDM system for the Liuting Airport Project
“Qingdao Cares Subcontract Agreements”	collectively, Qingdao Cares Hailar Airport Subcontract Agreement, Qingdao Cares Two Airports (Ordos and Jiansanjiang) Subcontract Agreement, Qingdao Cares Liuting Airport Subcontract Agreement and Qingdao Cares Ulanqab Airport Subcontract Agreement

“Qingdao Cares Two Airports (Ordos and Jiansanjiang) Subcontract Agreement”	the subcontract agreement dated 16 January 2019 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the construction of the facial recognition & ID authentication system for the Two Airports (Ordos and Jiansanjiang) Project
“Qingdao Cares Ulanqab Airport Subcontract Agreement”	the subcontract agreement dated 30 January 2019 between the Company and Qingdao Cares pursuant to which Qingdao Cares has agreed to subcontract to the Company the construction of the weak current renovation program for the Ulanqab 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
“Two Airports (Ordos and Jiansanjiang) Project”	the construction of the facial recognition & ID authentication system for the two airports, being Ordos Airport* (鄂爾多斯機場) and Jiansanjiang Airport* (建三江機場), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“Ulanqab Airport Project”	the construction of the weak current program for the Ulanqab Airport* (烏蘭察布機場), which includes but not limited to, the procurement and delivery 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\$1.15 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  
30 January 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.*