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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 QINGDAO CARES

On 31 July 2015, the Company entered into the Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the overall construction of the self-service flight information display system for the Xinzheng 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 self-service flight information display system.

Qingdao Cares is a connected person of the Company under the Listing Rules. As such, the Subcontract Agreement entered into between Qingdao Cares and the Company and the transactions contemplated thereunder constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the 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 31 July 2015, the Company entered into the Subcontract Agreement with Qingdao Cares, pursuant to which the Company has agreed to subcontract to Qingdao Cares the overall construction of the self-service flight information display system for the Xinzheng 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 self-service flight information display system. Further details of the Subcontract Agreement are set out below:

Date 31 July 2015

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

Scope of work: The Company will subcontract to Qingdao Cares the overall construction of the self-service flight information display system for the Xinzheng 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 self-service flight information display system.

Consideration: An aggregate of RMB15,862,500 (equivalent to approximately HK\$19,828,125), including, RMB13,402,500 (equivalent to approximately HK\$16,753,125) for the consideration of the procurement of the hardware, RMB600,000 (equivalent to approximately HK\$750,000) for the consideration of the procurement of the software, and RMB1,860,000 (equivalent to approximately HK\$2,325,000) for the consideration of the implementation and maintenance.

The consideration shall be paid by the Company to Qingdao Cares in three instalments according to the progress of the Xinzheng Airport Project.

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 hardware and software 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 Xinzheng Airport Project as the 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 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 Qingdao 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

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 Subcontract Agreement entered into between Qingdao Cares and the Company and the transactions contemplated thereunder constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the 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. Xiao Yinhong has abstained from voting on the relevant Board resolution in respect of the Subcontract Agreement as he is a director of Qingdao Cares. 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 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 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”	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
“Qingdao Cares”	青島民航凱亞系統集成有限公司 (Civil Aviation Cares of Qingdao Limited*)
“Shareholder(s)”	the shareholders of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subcontract Agreement”	the subcontract agreement dated 31 July 2015 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the overall construction of the self-service flight information display system for the Xinzheng Airport Project
“subsidiary(ies)”	have the same meaning ascribed to it under the Listing Rules
“Xinzheng Airport”	鄭州新鄭國際機場 (Zhengzhou Xinzheng International Airport*)
“Xinzheng Airport Project”	the overall construction of the self-service flight information display system of the Xinzheng Airport
“%”	per cent

* for identification purposes only

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.25 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

31 July 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 and Mr. Cao Jianxiong;

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