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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 :
HUADONG CARES SUBCONTRACT AGREEMENTS

On 1 August 2018, the Company entered into the Huadong Cares Nanjing Airport Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the self-service check-in equipment for the Nanjing Airport Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the system implementation as well as the one-year quality warranty for the self-service check-in equipment.

On 15 October 2018, the Company entered into the Huadong Cares Yichun Airport Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the common use self-service check-in system for the Yichun Airport Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the system implementation as well as the one-year quality warranty for the common use self-service check-in system.

On 14 November 2018, the Company entered into the Huadong Cares Ningbo Departure 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 Departure Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the system implementation as well as the one-year quality warranty for the departure system.

On 14 November 2018, the Company entered into the Huadong Cares Ningbo Airport Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the common use self-service check-in 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 system implementation as well as the one-year quality warranty for the common use self-service check-in system.

On 15 November 2018, the Company entered into the Huadong Cares Seven Airports (including Nanjing and Jinan) Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the facial recognition & ID authentication system for the Seven Airports (including Nanjing and Jinan) Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the system implementation as well as the one-year quality warranty for the facial recognition & ID authentication 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 transactions contemplated under the Huadong Cares Subcontract Agreements entered into between the Company and Huadong Cares constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the consideration under the Huadong Cares Subcontract Agreements is more than 0.1% but less than 5%, the transactions contemplated under the Huadong 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. HUADONG CARES SUBCONTRACT AGREEMENTS

On 1 August 2018, the Company entered into the Huadong Cares Nanjing Airport Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the self-service check-in equipment for the Nanjing Airport Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the system implementation as well as the one-year quality warranty for the self-service check-in equipment.

On 15 October 2018, the Company entered into the Huadong Cares Yichun Airport Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the common use self-service check-in system for the Yichun Airport Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the system implementation as well as the one-year quality warranty for the common use self-service check-in system.

On 14 November 2018, the Company entered into the Huadong Cares Ningbo Departure 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 Departure Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the system implementation as well as the one-year quality warranty for the departure system.

On 14 November 2018, the Company entered into the Huadong Cares Ningbo Airport Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the common use self-service check-in 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 system implementation as well as the one-year quality warranty for the common use self-service check-in system.

On 15 November 2018, the Company entered into the Huadong Cares Seven Airports (including Nanjing and Jinan) Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the facial recognition & ID authentication system for the Seven Airports (including Nanjing and Jinan) Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the system implementation as well as the one-year quality warranty for the facial recognition & ID authentication system.

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

1.1 Huadong Cares Nanjing Airport Subcontract Agreement

- Date: 1 August 2018

- 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 self-service check-in equipment for the Nanjing Airport Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the system implementation as well as the one-year quality warranty for the self-service check-in equipment.

- Consideration: RMB1,098,000.00 (equivalent to approximately HK\$1,240,740.00)

The consideration shall be paid by the Company to Huadong Cares in two instalments according to the project progress as scheduled in the Huadong Cares Nanjing 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 Huadong Cares Nanjing 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 Huadong Cares Yichun Airport Subcontract Agreement

Date: 15 October 2018

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 common use self-service check-in system for the Yichun Airport Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the system implementation as well as the one-year quality warranty for the common use self-service check-in system.

Consideration: RMB354,000.00 (equivalent to approximately HK\$400,020.00)

The consideration shall be paid by the Company to Huadong Cares in a lump sum according to the project progress as scheduled in the Huadong Cares Yichun 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 Huadong Cares Yichun 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.

1.3 Huadong Cares Ningbo Departure Subcontract Agreement

Date: 14 November 2018

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 Departure Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the system implementation as well as the one-year quality warranty for the departure system.

Consideration: RMB554,060.00 (equivalent to approximately HK\$626,087.80)

The consideration shall be paid by the Company to Huadong Cares in three instalments according to the project progress as scheduled in the Huadong Cares Ningbo Departure 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 Ningbo Departure 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 Huadong Cares Ningbo Airport Subcontract Agreement

Date: 14 November 2018

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 common use self-service check-in 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 system implementation as well as the one-year quality warranty for the common use self-service check-in system.

Consideration: RMB955,000.00 (equivalent to approximately HK\$1,079,150.00)

The consideration shall be paid by the Company to Huadong Cares in three instalments according to the project progress as scheduled in the Huadong Cares Ningbo 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 Huadong Cares Ningbo 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.

1.5 Huadong Cares Seven Airports (including Nanjing and Jinan) Subcontract Agreement

Date: 15 November 2018

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 facial recognition & ID authentication system for the Seven Airports (including Nanjing and Jinan) Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the system implementation as well as the one-year quality warranty for the facial recognition & ID authentication system.

Consideration: RMB6,677,100.00 (equivalent to approximately HK\$7,545,123.00)

The consideration shall be paid by the Company to Huadong Cares in three instalments according to the project progress as scheduled in the Huadong Cares Seven Airports (including Nanjing and Jinan) 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 Seven Airports (including Nanjing and Jinan) 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 Nanjing Airport Project, Yichun Airport Project, Ningbo Departure Project, Ningbo Airport Project and Seven Airports (including Nanjing and Jinan) 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 Agreements. 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 agreements.

The Directors (including the independent non-executive Directors) are of the view that the transactions under the Huadong 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

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 transactions contemplated under the Huadong Cares Subcontract Agreements entered into between the Company and Huadong Cares constitute connected transactions 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 Nanjing Airport Subcontract Agreement”	the subcontract agreement dated 1 August 2018 between the Company and Huadong Cares pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the self-service check-in equipment for the Nanjing Airport Project
“Huadong Cares Ningbo Airport Subcontract Agreement”	the subcontract agreement dated 14 November 2018 between the Company and Huadong Cares pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the common use self-service check-in system for the Ningbo Airport Project
“Huadong Cares Ningbo Departure Subcontract Agreement”	the subcontract agreement dated 14 November 2018 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 Departure Project
“Huadong Cares Seven Airports (including Nanjing and Jinan) Subcontract Agreement”	the subcontract agreement dated 15 November 2018 between the Company and Huadong Cares pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the facial recognition & ID authentication system for the Seven Airports (including Nanjing and Jinan) Project

“Huadong Cares Subcontract Agreements”	collectively, the Huadong Cares Nanjing Airport Subcontract Agreement, the Huadong Cares Yichun Airport Subcontract Agreement, the Huadong Cares Ningbo Departure Subcontract Agreement, the Huadong Cares Ningbo Airport Subcontract Agreement and the Huadong Cares Seven Airports (including Nanjing and Jinan) Subcontract Agreement
“Huadong Cares Yichun Airport Subcontract Agreement”	the subcontract agreement dated 15 October 2018 between the Company and Huadong Cares pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the common use self-service check-in system for the Yichun Airport Project
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Nanjing Airport Project”	the construction of the self-service check-in equipment of the Nanjing Airport* (南京機場), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“Ningbo Airport Project”	the construction of the common use self-service check-in system of the Ningbo Airport* (寧波機場), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“Ningbo Departure Project”	the construction of the departure system of the Ningbo Airport* (寧波機場), 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
“RMB”	Renminbi, the lawful currency of the PRC

“Seven Airports (including Nanjing and Jinan) Project”	the construction of the facial recognition & ID authentication system of the seven airports, being Nanjing Airport* (南京機場), Jinan Airport* (濟南機場), Ningbo Airport* (寧波機場), Wuxi Airport* (無錫機場), Changzhou Airport* (常州機場), Nantong Airport* (南通機場) and Yangtai Airport* (揚泰機場), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“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
“Yichun Airport Project”	the construction of the common use self-service check-in system of the Yichun Mingyueshan Airport* (宜春明月山機場), 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\$1.13 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
15 November 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. Tang Bing and Mr. Han Wensheng;

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