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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 2013, the Company entered into the Subcontract Agreement with Xi'an Cares, pursuant to which the Company will subcontract to Xi'an Cares the overall construction of the departure system for Terminal 2 for the Phase II expansion project of Xi Ning Airport, which includes, but not limited to, the procurement, installation and testing of the required third party hardware and software and the overall system implementation and warranty for the departure system.

Xi'an Cares is a connected person of the Company pursuant to Rule 14A.11(5) of the Listing Rules. 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 transaction contemplated under the Subcontract Agreement constitutes a connected transaction of the Company and is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement of Chapter 14A of the Listing Rules.

CONNECTED TRANSACTION

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Date: 5 March 2013

Parties:

- (1) the Company
- (2) Xi'an Cares

Scope of work:	The Company will subcontract to Xi'an Cares the overall construction of the departure system for Terminal 2 for the Phase II expansion project of Xi Ning Airport, which includes, but not limited to the procurement, installation and testing of the required third party hardware and software and the overall system implementation and warranty for the departure system.
Delivery period:	Within 60 days after the Company giving notification of commencement of work. Xi'an Cares shall complete all the work, including, but not limited to, the installation, testing, trial operation and inspection, before 31 May 2013.
Consideration:	<p>An aggregate of RMB6,012,820 (equivalent to approximately HK\$7,455,897)</p> <p>The consideration shall be paid by the Company to Xi'an Cares in cash by installments as follows:</p> <ul style="list-style-type: none"> • 20% of the total consideration, being RMB1,202,564 (equivalent to approximately HK\$1,491,179), will be payable within 15 working days after the signing of the Subcontract Agreement and the Company receiving the prepayment from Xi Ning Airport for the Phase II expansion project of Xi Ning Airport; • 40% of the total consideration, being RMB2,405,128 (equivalent to approximately HK\$2,982,359), will be payable 14 working days after the general inspection of all required products delivered on site; • 20% of the total consideration, being RMB1,202,564 (equivalent to approximately HK\$1,491,179), will be payable 14 working days after the installation and testing of the required products; • 15% of the total consideration, being RMB901,923 (equivalent to approximately HK\$1,118,385), will be payable 14 working days after completion, acceptance and settlement of the project; and

- the remaining 5% of the total consideration, being RMB300,641 (equivalent to approximately HK\$372,795) will be retained as quality warranty fund and will be returned to Xi'an Cares without interest after the expiry of the warranty period should the products have no quality issues.

The above consideration has been determined and agreed between the parties on an arm's length basis based on the scale of work and actual circumstances and after taking into account the costs and income of both parties and market conditions.

Breach of contract liabilities: Should the Company fail to make payment according to the payment schedule under the Subcontract Agreement, it shall be liable to pay Xi'an Cares a daily late payment fee equivalent to 0.1% of the unpaid consideration.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTION

The Company has undertaken the construction of the departure system for Terminal 2 for the phase II expansion project of Xi Ning Airport as a general contractor. Xi'an Cares is principally engaged in provision of computer software and hardware development and data network services and is geographically located in Xi'an city. Xi'an Cares has the necessary qualification, capability and technological skills required to carry out the relevant work as specified under the Subcontract Agreement. In addition, it is also located in relatively close proximity to Xi Ning city as compared to the Company and is therefore able to provide more cost-efficient services to Xi Ning Airport. The Board is of the view that it will be for the benefit of the Company to subcontract the relevant work as specified under the Subcontract Agreement to Xi'an Cares.

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.

Mr. Xu Zhao has abstained from voting on the Subcontract Agreement as he is a director of Eastern Airlines. Except for the 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.

IMPLICATIONS UNDER THE LISTING RULES

Xi'an Cares is a non-wholly owned subsidiary of the Company owned as to 51% by the Company, 32% by China Eastern Airlines Northwest Company (中國東方航空西北公司) which is a branch company of Eastern Airlines, and 17% by China West Airport Group (西部機場集團). Eastern Airlines is a subsidiary of Eastern Holding, a substantial shareholder of the Company with a shareholding of 11.22% in the Company as at the date of this announcement. Xi'an Cares is therefore a connected person of the Company pursuant to Rule 14A.11(5) of the Listing Rules.

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 transaction contemplated under the Subcontract Agreement constitutes a connected transaction of the Company and is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement of Chapter 14A of the Listing Rules.

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 provision of computer software and hardware development and data network services.

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”	the percentage ratio 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 2013 between the Company and Xi’an Cares pursuant to which the Company will subcontract to Xi’an Cares the overall construction of the departure system for Terminal 2 for the Phase II expansion project of Xi Ning Airport
“Xi’an Cares”	西安民航凱亞科技有限公司 (Civil Aviation Cares Technology of Xi’an Ltd.*)

“Xi Ning Airport”

西寧曹家堡機場 (Xi Ning Caojiapu 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
Xu Qiang
Chairman

Beijing, PRC
5 March 2013

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

Executive Directors: Mr. Xu Qiang (Chairman), Mr. Cui Zhixiong and Mr. Xiao Yinhong;

Non-executive Directors: Mr. Wang Quanhua, Mr. Sun Yude and Mr. Xu Zhao;

Independent non-executive Directors: Mr. Cheung Yuk Ming, Mr. Zhou Deqiang and Mr. Pan Chongyi.