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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: 696)**

**CONNECTED TRANSACTION**  
**SUBCONTRACT AGREEMENT WITH QINGDAO CARES; AND**  
**PROCUREMENT AGREEMENT WITH XI'AN CARES**

On 28 January 2014, the Company entered into the Subcontract Agreement with Qingdao Cares, pursuant to which Qingdao Cares will subcontract to the Company the overall construction of the departure system for the Lvliang Airport, which includes, but not limited to, the procurement, installation and testing of the required hardware and software and the overall system implementation and one-year warranty for the departure system.

On the same day, the Company entered into the Procurement Agreement with Xi'an Cares, pursuant to which the Company has agreed to entrust Xi'an Cares to procure the hardware required for the departure system of the Lvliang Airport and the implementation of such hardware.

Qingdao Cares and Xi'an Cares are connected persons of the Company pursuant to Rule 14A.11(5) of the Listing Rules. As such, each of the Subcontract Agreement entered into between Qingdao Cares and the Company and the Procurement Agreement entered into between the Company and Xi'an Cares constitutes a connected transaction of the Company. Since the highest applicable Percentage Ratio calculated with reference to the aggregated consideration under the Subcontract Agreement and the Procurement Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Subcontract Agreement and the Procurement Agreement are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

## **SUBCONTRACT AGREEMENT WITH QINGDAO CARES**

On 28 January 2014, the Company entered into the Subcontract Agreement with Qingdao Cares, pursuant to which Qingdao Cares will subcontract to the Company the overall construction of the departure system for the Lvliang Airport, which includes, but not limited to, the procurement, installation and testing of the required hardware and software and the overall system implementation and one-year warranty for the departure system. Further details of the Subcontract Agreement are set out below:

Date: 28 January 2014

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

Scope of work: Qingdao Cares will subcontract to the Company the overall construction of the departure system for the Lvliang Airport, which includes, but not limited to the procurement, installation and testing of the required hardware and software and the overall system implementation and one-year warranty for the departure system.

Consideration: An aggregate of RMB5,296,790 (equivalent to approximately HK\$6,673,955.4), including RMB1,530,000 (equivalent to approximately HK\$1,927,800) for the consideration of the procurement of the software, RMB3,082,790 (equivalent to approximately HK\$3,884,315.4) for the consideration of the procurement of the hardware, and RMB684,000 (equivalent to approximately HK\$861,840) for the consideration of the implementation and maintenances services

The parties may enter into a supplemental agreement to amend the consideration according to the actual amount of the required hardware and software under the Subcontract Agreement. The adjustment shall not exceed 20% of the consideration.

The consideration shall be paid by Qingdao Cares to the Company in cash in two installments as follows:

- RMB3,968,390 (equivalent to approximately HK\$5,000,171.4) payable within 10 working days upon receipt of the relevant invoices which will be issued by the Company within ten days after the signing of the Subcontract Agreement
- RMB1,328,400 (equivalent to approximately HK\$1,673,784) payable within 10 working days upon receipt of the relevant invoices with will be issued by the Company within one month after Qingdao Cares' satisfaction of the Lvliang Airport Project

The Company will activate the departure services within one month upon receipt of the total 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 market conditions.

## **PROCUREMENT AGREEMENT WITH XI'AN CARES**

On 28 January 2014, the Company entered into the Procurement Agreement with Xi'an Cares, pursuant to which the Company has agreed to entrust Xi'an Cares to procure the hardware required for the departure system of the Lvliang Airport and the implementation of such hardware. Further details of the Procurement Agreement are set out below:

Date: 28 January 2014

Parties: (1) the Company; and  
(2) Xi'an Cares

Scope of work: The Company will entrust Xi'an Cares to procure the hardware required for the departure system of the Lvliang Airport and the implementation of such hardware.

Consideration: An aggregate of RMB3,082,790 (equivalent to approximately HK\$3,884,315.4)

The parties may enter into a supplemental agreement to amend the consideration according to the actual amount of the required hardware under the Procurement Agreement. The adjustment shall not exceed 20% of the consideration.

The consideration shall be paid by the Company to Xi'an Cares in cash within 15 working days after the signing of the Procurement Agreement and Xi'an Cares shall provide the relevant value added tax invoices at the same time.

The above consideration has been determined and agreed between the parties on an arm's length basis based on the costs of the hardware including the necessary technical support services and after taking into account the market conditions.

## **REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS**

Qingdao Cares has undertaken the Lvliang Airport Project as a general contractor. The Group is engaged in the provision of computer software and hardware development and data network services through its certain members. The Company and its subsidiaries, including as Xi'an Cares, have 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 undertake the relevant work as specified under the Subcontract Agreement and to subcontract to Xi'an Cares the relevant work as specified under the Procurement Agreement.

The Directors (including the independent non-executive Directors) are of the view that the transactions under the Subcontract Agreement and the Procurement 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.

## **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 青島國際機場集團有限公司 (Qingdao International Airport Company\*) and 13% by 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.\*). 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 pursuant to Rule 14A.11(5) of the Listing Rules. As such, the Subcontract Agreement entered into between Qingdao Cares and the Company constitutes a connected transaction of the Company.

Xi'an Cares is a non-wholly owned subsidiary of the Company which is 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. Eastern Holding is a substantial shareholder of the Company. Xi'an Cares is therefore a connected person of the Company pursuant to Rule 14A.11(5) of the Listing Rules. As such, the Procurement Agreement entered into between the Company and Xi'an Cares constitutes a connected transaction of the Company.

Since the highest Percentage Ratio calculated with reference to the aggregated consideration under the Subcontract Agreement and the Procurement Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Subcontract Agreement and the Procurement 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. Cai, Kevin Yang has abstained from voting on the Subcontract Agreement and the Procurement Agreement as he is the chief information officer of Eastern Airlines. In addition, Mr. Xiao Yinhong has abstained from voting on 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 the Procurement Agreement, and none of them has abstained from voting on the relevant board resolutions.

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

### **Information on Xi'an Cares**

Xi'an Cares is principally engaged in the 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*), 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*), 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
“Lvliang Airport”	山西呂梁機場 (Shanxi Lvliang Airport)
“Lvliang Airport Project”	the overall construction of the departure system of the Lvliang Airport
“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
“Procurement Agreement”	the procurement agreement dated 28 January 2014 entered into between the Company and Xi’an Cares, pursuant to which the Company has agreed to entrust Xi’an Cares to procure the hardware required for the departure system of the Lvliang Airport and the implementation of such hardware
“Qingdao Cares”	青島民航凱亞系統集成有限公司 (Civil Aviation Cares of Qingdao Limited*)
“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 28 January 2014 between the Company and Qingdao Cares pursuant to which the Company has agreed to subcontract to Qingdao Cares the overall construction of the departure system of the Lvliang Airport
“Xi’an Cares”	西安民航凱亞科技有限公司 (Civil Aviation Cares Technology of Xi’an Ltd.*)
“%”	percentage

\* for identification purposes only

*For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.26 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  
28 January 2014

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

<i>Executive Directors:</i>	<i>Mr. Xu Qiang (Chairman), Mr. Cui Zhixiong and Mr. Xiao Yinhong;</i>
<i>Non-executive Directors:</i>	<i>Mr. Wang Quanhua, Mr. Sun Yude and Mr. Cai, Kevin Yang;</i>
<i>Independent non-executive Directors:</i>	<i>Mr. Cheung Yuk Ming, Mr. Pan Chongyi and Mr. Zhang Hainan.</i>