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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 24 September 2020, the Company entered into the Huadong Cares Jinan Airport Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the airport collaborative decision-making (A-CDM) system for the Jinan Airport Project, which includes but not limited to, the installation and testing of the required software and the overall system implementation as well as the one-year quality warranty for the airport collaborative decision-making (A-CDM) system.

On 13 October 2020, the Company entered into the Huadong Cares Nanjing Lukou International Airport Subcontract Agreement I with Huadong Cares, pursuant to which Huadong Cares has agreed to subcontract to the Company the construction of the self-service boarding system for the Nanjing Lukou International Airport Project I, which includes but not limited to, the procurement and delivery of the required software.

On 28 October 2020, the Company entered into the Huadong Cares Nanjing Lukou International Airport Subcontract Agreement II with Huadong Cares, pursuant to which Huadong Cares has agreed to subcontract to the Company the construction of the remote check-in system for the Nanjing Lukou International Airport Project II, which includes but not limited to, the procurement, delivery, installation and testing of the required software and the overall system implementation as well as the one-year quality warranty for the remote check-in system.

On 11 December 2020, the Company entered into the Huadong Cares Zhengzhou Xinzheng International Airport Subcontract Agreement with Huadong Cares, pursuant to which Huadong Cares has agreed to subcontract to the Company the construction of the luggage tracking system for the Zhengzhou Xinzheng International Airport Project, which includes but not limited to, the procurement, delivery, installation and testing of the required hardware and software and the overall system implementation as well as the quality warranty for the above software and hardware for not more than three years.

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 24 September 2020, the Company entered into the Huadong Cares Jinan Airport Subcontract Agreement with Huadong Cares, pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the airport collaborative decision-making (A-CDM) system for the Jinan Airport Project, which includes but not limited to, the installation and testing of the required software and the overall system implementation as well as the one-year quality warranty for the airport collaborative decision-making (A-CDM) system.

On 13 October 2020, the Company entered into the Huadong Cares Nanjing Lukou International Airport Subcontract Agreement I with Huadong Cares, pursuant to which Huadong Cares has agreed to subcontract to the Company the construction of the self-service boarding system for the Nanjing Lukou International Airport Project I, which includes but not limited to, the procurement and delivery of the required software.

On 28 October 2020, the Company entered into the Huadong Cares Nanjing Lukou International Airport Subcontract Agreement II with Huadong Cares, pursuant to which Huadong Cares has agreed to subcontract to the Company the construction of the remote check-in system for the Nanjing Lukou International Airport Project II, which includes but not limited to, the procurement, delivery, installation and testing of the required software and the overall system implementation as well as the one-year quality warranty for the remote check-in system.

On 11 December 2020, the Company entered into the Huadong Cares Zhengzhou Xinzheng International Airport Subcontract Agreement with Huadong Cares, pursuant to which Huadong Cares has agreed to subcontract to the Company the construction of the luggage tracking system for the Zhengzhou Xinzheng International Airport Project, which includes but not limited to, the procurement, delivery, installation and testing of the required hardware and software and the overall system implementation as well as the quality warranty for the above software and hardware for not more than three years.

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

1.1 Huadong Cares Jinan Airport Subcontract Agreement

Date: 24 September 2020

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 airport collaborative decision-making (A-CDM) system for the Jinan Airport Project, which includes but not limited to, the installation and testing of the required software and the overall system implementation as well as the one-year quality warranty for the airport collaborative decision-making (A-CDM) system.

Consideration: RMB239,400.00 (equivalent to approximately HK\$282,492.00).

The consideration shall be paid by the Company to Huadong Cares in one lump sum according to the project progress as scheduled in the Huadong Cares Jinan Airport Subcontract Agreement.

The parties may enter into a supplemental agreement to amend the consideration according to the actual provision of services under the Huadong Cares Jinan 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 relevant services and after taking into account the market conditions.

1.2 Huadong Cares Nanjing Lukou International Airport Subcontract Agreement I

Date: 13 October 2020

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

Scope of work: Huadong Cares will subcontract to the Company the construction of the self-service boarding system for the Nanjing Lukou International Airport Project I, which includes but not limited to, the procurement and delivery of the required software.

Consideration: RMB120,000.00 (equivalent to approximately HK\$141,600.00)

The consideration shall be paid by Huadong Cares to the Company in three instalments according to the project progress as scheduled in the Huadong Cares Nanjing Lukou International Airport Subcontract Agreement I.

The parties may enter into a supplemental agreement to amend the consideration according to the actual purchase amount of the required software under the Huadong Cares Nanjing Lukou International Airport Subcontract Agreement I. 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 after taking into account the market conditions.

1.3 Huadong Cares Nanjing Lukou International Airport Subcontract Agreement II

Date: 28 October 2020

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

Scope of work: Huadong Cares will subcontract to the Company the construction of the remote check-in system for the Nanjing Lukou International Airport Project II, which includes but not limited to, the procurement, delivery, installation and testing of the required software and the overall system implementation as well as the one-year quality warranty for the remote check-in system.

Consideration: RMB156,000.00 (equivalent to approximately HK\$184,080.00)

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

The parties may enter into a supplemental agreement to amend the consideration according to the actual purchase amount of the required software and the provision of services under the Huadong Cares Nanjing Lukou International Airport Subcontract Agreement II. 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 including the necessary technical support services and after taking into account the market conditions.

1.4 Huadong Cares Zhengzhou Xinzheng International Airport Subcontract Agreement

Date: 11 December 2020

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

Scope of work: Huadong Cares will subcontract to the Company the construction of the luggage tracking system for the Zhengzhou Xinzheng International Airport Project, which includes but not limited to, the procurement, delivery, installation and testing of the required hardware and software and the overall system implementation as well as the quality warranty for the above software and hardware for not more than three years.

Consideration: RMB8,081,772.00 (equivalent to approximately HK\$9,536,490.96)

The consideration shall be paid by Huadong Cares to the Company in five instalments according to the project progress as scheduled in the Huadong Cares Zhengzhou Xinzheng International 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 Zhengzhou Xinzheng International 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 Jinan Airport Project as a general contractor, and has undertaken each of the Nanjing Lukou International Airport Project I, the Nanjing Lukou International Airport Project II and the Zhengzhou Xinzheng International Airport Project from Huadong Cares. Huadong Cares is principally engaged in the provision of computer software and hardware development and data network services. Both the Company and Huadong Cares have 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 contract for from Huadong Cares and 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.

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.

Mr. Xi Sheng, a non-executive Director, who holds positions in Eastern Holding and Eastern Airlines, has abstained from voting at the Board meeting to approve the transactions under the Huadong Cares Subcontract Agreements. Except for the above, none of the Directors has a material interest in the transactions under the Huadong Cares Subcontract Agreements and none of them has abstained from voting on the relevant Board resolutions.

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 settlement and clearing services and information system development and support services to domestic and worldwide airline companies.

Information on Huadong Cares

Huadong Cares is principally engaged in the provision of computer software and hardware development and data network services. As at the date of this announcement, Huadong Cares is owned as to 41% by the Company, 41% by Eastern Airlines and 18% by Shanghai International Airport Company Limited* (上海國際機場股份有限公司) (“**Shanghai International Airport**”).

Eastern Airlines is a company listed on the Shanghai Stock Exchange (Stock Code: 600115), the Stock Exchange (Stock Code: 670) and the New York Stock Exchange (ADR: CEA), and is principally engaged in the operation of civil aviation, including the provision of passenger, cargo, mail delivery and other extended transportation services. As at the date of this announcement, Eastern Airlines is a subsidiary of Eastern Holding, and Eastern Holding is a state-owned company ultimately wholly owned by the State-owned Assets Supervision and

Administration Commission of the State Council of the PRC as well as a substantial Shareholder of the Company. Therefore, each of Eastern Airlines and Eastern Holding is a connected person of the Company pursuant to the Listing Rules.

Shanghai International Airport is a company listed on the Shanghai Stock Exchange (Stock Code: 600009), and is principally engaged in ground support services for global air transport enterprises and passengers. As at the date of this announcement, Shanghai International Airport is a subsidiary of Shanghai Airport (Group) Co., Ltd.* (上海機場(集團)有限公司) (“**Shanghai Airport (Group)**”) and Shanghai Airport (Group) is a state-owned company ultimately wholly owned by the State-owned Assets Supervision and Administration Commission of Shanghai. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Shanghai International Airport and Shanghai Airport (Group) is an independent third party of the Company and its connected persons.

Information on CTHCL

CTHCL is a wholly PRC state-owned enterprise. As at the date of this announcement, it is a substantial Shareholder of the Company and holds approximately 29.29% of the total issued share capital of the Company. It is principally engaged in the management of the state-owned assets and state-owned equity interests resulting from investments of the state in the group companies and its invested entities.

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
“CTHCL”	China TravelSky Holding Company Limited* (中國民航信息集團有限公司), a substantial Shareholder of the Company as at the date of this announcement
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Hong Kong”	the 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 Jinan Airport Subcontract Agreement”	the subcontract agreement dated 24 September 2020 between the Company and Huadong Cares pursuant to which the Company has agreed to subcontract to Huadong Cares the construction of the airport collaborative decision-making (A-CDM) system for the Jinan Airport Project
“Huadong Cares Nanjing Lukou International Airport Subcontract Agreement I”	the subcontract agreement dated 13 October 2020 between the Company and Huadong Cares pursuant to which Huadong Cares has agreed to subcontract to the Company the construction of the self-service boarding system for the Nanjing Lukou International Airport Project I
“Huadong Cares Nanjing Lukou International Airport Subcontract Agreement II”	the subcontract agreement dated 28 October 2020 between the Company and Huadong Cares pursuant to which Huadong Cares has agreed to subcontract to the Company the construction of the remote check-in system for the Nanjing Lukou International Airport Project II
“Huadong Cares Subcontract Agreements”	collectively, the Huadong Cares Jinan Airport Subcontract Agreement, the Huadong Cares Nanjing Lukou International Airport Subcontract Agreement I, the Huadong Cares Nanjing Lukou International Airport Subcontract Agreement II and the Huadong Cares Zhengzhou Xinzheng International Airport Subcontract Agreement

“Huadong Cares Zhengzhou Xinzheng International Airport Subcontract Agreement”	the subcontract agreement dated 11 December 2020 between the Company and Huadong Cares pursuant to which Huadong Cares has agreed to subcontract to the Company the construction of the luggage tracking system for the Zhengzhou Xinzheng International Airport Project
“Jinan Airport Project”	the construction of the airport collaborative decision-making (A-CDM) system for the Jinan Airport* (濟南機場), which includes but not limited to, the installation, testing and implementation of certain system thereof
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Nanjing Lukou International Airport Project I”	the construction of the self-service boarding system for the Nanjing Lukou International Airport* (南京祿口國際機場), which includes but not limited to, the procurement and delivery of certain system thereof
“Nanjing Lukou International Airport Project II”	the construction of the remote check-in system for the Nanjing Lukou International Airport* (南京祿口國際機場), which includes but not limited to, the procurement, installation, testing and implementation of certain system thereof
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“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
“Zhengzhou Xinzheng International Airport Project”	the construction of the luggage tracking system for the Zhengzhou Xinzheng International Airport* (鄭州新鄭國際機場), which includes but not limited to, the procurement, installation, testing and implementation of certain system thereof

“%”

per cent

* *for identification purpose only*

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1=HK\$1.18 has been used, where applicable, for the purpose of illustration only and does 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
11 December 2020

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

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

Non-executive Directors: Mr. Zhao Xiaohang, Mr. Xi Sheng and Mr. Luo Laijun;

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