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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 PROCUREMENT AGREEMENT WITH XI'AN CARES

On 16 May 2014, the Company entered into the Procurement Agreement with Xi'an Cares, pursuant to which Xi'an Cares has agreed to entrust the Company to procure the software required for the departure system of the Hanzhong Airport and the installation of such software.

Xi'an Cares is 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 Procurement Agreement is more than 0.1% but less than 5%, the transactions contemplated under 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.

PROCUREMENT AGREEMENT WITH XI'AN CARES

On 16 May 2014, the Company entered into the Procurement Agreement with Xi'an Cares, pursuant to which Xi'an Cares has agreed to entrust the Company to procure the software required for the departure system of the Hanzhong Airport and the installation of such software. Further details of the Procurement Agreement are set out below:

Date: 16 May 2014

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

Scope of work: Xi'an Cares will entrust the Company to procure the software required for the departure system of the Hanzhong Airport and the installation of such software.

Consideration: An aggregate of RMB2,500,000 (equivalent to approximately HK\$3,100,000)

The parties may enter into a supplemental agreement to amend the consideration according to the actual purchase amount of the required software under the Procurement Agreement. The adjustment shall not exceed 10% of the consideration.

Xi'an Cares shall pay the total consideration to the Company in a lump sum in cash.

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 of the costs and income of both parties and market conditions.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTION

Xi'an Cares is a supplier of the departure system project of the Hanzhong Airport. The Company is engaged in the provision of computer software and hardware development and data network services through its subsidiaries. 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 Procurement Agreement.

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

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 Procurement Agreement is more than 0.1% but less than 5%, the transactions contemplated under 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 Procurement Agreement as he is the chief information officer of Eastern Airlines. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under 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 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 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*) 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

“Hanzhong Airport”	Hanzhong Chenggu Airport (漢中城固機場)
“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 Ratios”	the percentage ratios 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 16 May 2014 between the Company and Xi’an Cares pursuant to which Xi’an Cares will entrust the Company to procure and install the software required for the departure system of the Hanzhong Airport
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xi’an Cares”	西安民航凱亞科技有限公司 (Civil Aviation Cares Technology of Xi’an Ltd.*)
“%”	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 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
Xu Qiang
Chairman

Beijing, PRC
16 May 2014

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. Cai, Kevin Yang;

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