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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:
HAINAN CARES SUBCONTRACT AGREEMENT; AND
XIAMEN CARES SUBCONTRACT AGREEMENT**

On 2 January 2018, the Company entered into two Hainan Cares Subcontract Agreements with Hainan Cares, pursuant to which the Company has agreed to subcontract to Hainan Cares respectively: (i) the construction of the departure system and the security inspection system for the Haikou Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the one-year quality warranty for the departure system and the security inspection system; and (ii) the construction of the departure system and the security inspection information system for the Sanya Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the one-year quality warranty for the departure system and the security inspection information system.

On the same day, the Company entered into three Xiamen Cares Subcontract Agreements with Xiamen Cares, pursuant to which the Company has agreed to subcontract to Xiamen Cares respectively: (i) the construction of the security inspection information system for the Zhoushan Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the two-year quality warranty for the security inspection information system; (ii) the construction of the security inspection system for the Haikou Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and the overall system implementation and the one-year quality warranty for the security inspection system; and (iii) the construction of the security inspection information system for the Sanya Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and the overall system implementation and the one-year quality warranty for the security inspection information system.

Hainan Cares and Xiamen Cares are connected persons of the Company under the Listing Rules. Therefore, the entering into of the Hainan Cares Subcontract Agreements and the Xiamen Cares Subcontract Agreements and the transactions contemplated thereunder constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the Hainan Cares Subcontract Agreements and Xiamen Cares Subcontract Agreements in this announcement on an aggregate basis is more than 0.1% but less than 5%, the transactions contemplated thereunder constitute connected transactions of the Company and are subject to the announcement requirement but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

I. HAINAN CARES SUBCONTRACT AGREEMENTS

On 2 January 2018, the Company entered into two Hainan Cares Subcontract Agreements with Hainan Cares, pursuant to which the Company has agreed to subcontract to Hainan Cares respectively: (i) the construction of the departure system and the security inspection system for the Haikou Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the one-year quality warranty for the departure system and the security inspection system; and (ii) the construction of the departure system and the security inspection information system for the Sanya Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the one-year quality warranty for the departure system and the security inspection information system.

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

1. Hainan Cares Haikou Airport Subcontract Agreement

Date: 2 January 2018

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

Scope of work: The Company will subcontract to Hainan Cares the construction of the departure system and the security inspection system for the Haikou Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the one-year quality warranty for the departure system and the security inspection system.

Consideration: RMB2,287,539.00 (equivalent to approximately HK\$2,699,296.02)

The consideration shall be paid by the Company to Hainan Cares in three instalments according to the project progress as scheduled in the Hainan Cares Haikou 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 Hainan Cares Haikou 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. Hainan Cares Sanya Airport Subcontract Agreement

Date: 2 January 2018

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

Scope of work: The Company will subcontract to Hainan Cares the construction of the departure system and the security inspection information system for the Sanya Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the one-year quality warranty for the departure system and the security inspection information system.

Consideration: RMB1,186,707.00 (equivalent to approximately HK\$1,400,314.26)

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

II. XIAMEN CARES SUBCONTRACT AGREEMENTS

On the same day, the Company entered into three Xiamen Cares Subcontract Agreements with Xiamen Cares, pursuant to which the Company has agreed to subcontract to Xiamen Cares respectively: (i) the construction of the security inspection information system for the Zhoushan Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the two-year quality warranty for the security inspection information system; (ii) the construction of the security inspection system for the Haikou Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and the overall system implementation and the one-year quality warranty for the security inspection system; and (iii) the construction of the security inspection information system for the Sanya Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and the overall system implementation and the one-year quality warranty for the security inspection information system.

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

1. Xiamen Cares Zhoushan Airport Subcontract Agreement

Date:	2 January 2018
Parties:	(1) the Company (as contractor); and (2) Xiamen Cares (as subcontractor)
Scope of work:	The Company will subcontract to Xiamen Cares the construction of the security inspection information system for the Zhoushan Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation and the two-year quality warranty for the security inspection information system.
Consideration:	RMB1,743,400.00 (equivalent to approximately HK\$2,057,212.00) The consideration shall be paid by the Company to Xiamen Cares in four instalments according to the project progress as scheduled in the Xiamen Cares Zhoushan 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 Xiamen Cares Zhoushan 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. Xiamen Cares Haikou Airport Subcontract Agreement

Date: 2 January 2018

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

Scope of work: The Company will subcontract to Xiamen Cares the construction of the security inspection system for the Haikou Airport Project, which includes, but not limited to, the procurement of the required software and the one-year quality warranty for the security inspection system.

Consideration: RMB840,000.00 (equivalent to approximately HK\$991,200.00)

The consideration shall be paid by the Company to Xiamen Cares in three instalments according to the project progress as scheduled in the Xiamen Cares Haikou 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 under the Xiamen Cares Haikou 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 including the necessary technical support services and after taking into account the market conditions.

3. Xiamen Cares Sanya Airport Subcontract Agreement

Date: 2 January 2018

Parties: (1) the Company (as contractor); and

(2) Xiamen Cares (as subcontractor)

Scope of work: The Company will subcontract to Xiamen Cares the construction of the security inspection information system for the Sanya Airport Project, which includes, but not limited to, the procurement, installation and testing of the required software and the overall system implementation and the one-year quality warranty for the security inspection information system.

Consideration: RMB60,000.00 (equivalent to approximately HK\$70,800.00)

The consideration shall be paid by the Company to Xiamen Cares in three instalments according to the project progress as scheduled in the Xiamen Cares Sanya 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 the provision of services under the Xiamen Cares Sanya 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 including the necessary technical support services and after taking into account the market conditions.

III. REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS

The Company has undertaken the Zhoushan Airport Project, Haikou Airport Project and Sanya Airport Project as a general contractor. Hainan Cares is principally engaged in the provision of electronic travel distribution and cargo management services and sale and installation of the related information systems and Xiamen Cares is principally engaged in the provision of computer software and hardware development and data network services. Each of Hainan Cares and Xiamen Cares has the necessary qualifications, capabilities and technological skills required to carry out the relevant works as specified under the Hainan Cares Subcontract Agreements and the Xiamen Cares Subcontract Agreements, respectively. The Board is of the view that it will be for the benefit of the Company to subcontract to Hainan Cares and Xiamen Cares the relevant work as specified under the aforementioned subcontract agreements.

The Directors (including the independent non-executive Directors) are of the view that the transactions under the Hainan Cares Subcontract Agreements and the Xiamen 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.

IV. IMPLICATIONS UNDER THE LISTING RULES

Hainan Cares is a non-wholly owned subsidiary of the Company, which is owned as to 22.74% by Southern Holding, a substantial Shareholder of the Company as at the date of this announcement. As Southern Holding directly holds interests in more than 10% shareholding in Hainan Cares, Hainan Cares is a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Hainan Cares Subcontract Agreements constitute connected transactions of the Company.

Xiamen Cares is a non-wholly owned subsidiary of the Company, which is owned as to 51% by the Company, 28.5% by Xiamen Airlines Company Limited* (廈門航空有限公司) and 20.5% by Xiamen International Aviation Company Limited* (廈門國際航空港股份有限公司). Xiamen Airlines Company Limited* is a subsidiary of Southern Holding and Southern Holding is a substantial shareholder of the Company as at the date of this announcement. Xiamen Cares is therefore a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Xiamen Cares Subcontract Agreements constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the Hainan Cares Subcontract Agreements and Xiamen Cares Subcontract Agreements in this announcement on an aggregate basis is more than 0.1% but less than 5%, the transactions contemplated thereunder constitute connected transactions of the Company and are subject to the announcement requirement but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

Mr. Yuan Xin'an, a non-executive Director, has abstained from voting on the resolutions in relation to the Hainan Cares Subcontract Agreements and the Xiamen Cares Subcontract Agreements as he is an employee of Southern Holding. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Hainan Cares Subcontract Agreements and the Xiamen Cares Subcontract Agreements, and none of them has abstained from voting on the relevant Board resolutions.

V. 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 Hainan Cares

Hainan Cares is principally engaged in the provision of electronic travel distribution and cargo management services and sale and installation of the related information systems.

Information on Xiamen Cares

Xiamen Cares is principally engaged in the provision of computer software and hardware development and data network services.

VI. 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
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Haikou Airport Project”	the construction of the departure system and the security inspection system of the Station Complex Project of Haikou Meilan Airport* (海口美蘭機場站前綜合體項目), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“Hainan Cares”	Hainan Civil Aviation Cares Co., Ltd.* (海南民航凱亞有限公司)
“Hainan Cares Haikou Airport Subcontract Agreement”	the subcontract agreement dated 2 January 2018 between the Company and Hainan Cares pursuant to which the Company has agreed to subcontract to Hainan Cares the construction of the departure system and the security inspection system for the Haikou Airport Project
“Hainan Cares Sanya Airport Subcontract Agreement”	the subcontract agreement dated 2 January 2018 between the Company and Hainan Cares pursuant to which the Company has agreed to subcontract to Hainan Cares the construction of the departure system and the security inspection information system for the Sanya Airport Project
“Hainan Cares Subcontract Agreements”	collectively, Hainan Cares Haikou Airport Subcontract Agreement and Hainan Cares Sanya Airport Subcontract Agreement
“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(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

“Sanya Airport Project”	the construction of the departure system and the security inspection information system of the New Boarding Bridges Supporting Project of International Terminal of Sanya Fenghuang International Airport* (三亞鳳凰國際機場國際航站樓新建登機廊橋配套項目), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“Shareholder(s)”	the shareholder(s) of the Company
“Southern Holding”	China Southern Air Holding Company* (中國南方航空集團公司), a substantial shareholder of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules
“Xiamen Cares”	Civil Aviation Cares of Xiamen Ltd.* (廈門民航凱亞有限公司)
“Xiamen Cares Haikou Airport Subcontract Agreement”	the subcontract agreement dated 2 January 2018 between the Company and Xiamen Cares pursuant to which the Company has agreed to subcontract to Xiamen Cares the construction of the security inspection system for the Haikou Airport Project
“Xiamen Cares Sanya Airport Subcontract Agreement”	the subcontract agreement dated 2 January 2018 between the Company and Xiamen Cares pursuant to which the Company has agreed to subcontract to Xiamen Cares the construction of the security inspection information system for the Sanya Airport Project
“Xiamen Cares Subcontract Agreements”	collectively, Xiamen Cares Haikou Airport Subcontract Agreement, Xiamen Cares Sanya Airport Subcontract Agreement and Xiamen Cares Zhoushan Airport Subcontract Agreement
“Xiamen Cares Zhoushan Airport Subcontract Agreement”	the subcontract agreement dated 2 January 2018 between the Company and Xiamen Cares pursuant to which the Company has agreed to subcontract to Xiamen Cares the construction of the security inspection information system for the Zhoushan Airport Project

“Zhoushan Airport Project” the construction of the security inspection information system of the Weak Current Project of New Terminal of Zhoushan Putuoshan Airport* (舟山普陀山機場新航站樓弱電工程項目), 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\$1.18 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

2 January 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. Li Yangmin and Mr. Yuan Xin'an;

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