

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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: XINJIANG CARES SUBCONTRACT AGREEMENTS

On 11 May 2017, the Company entered into two Xinjiang Cares Subcontract Agreements with Xinjiang Cares, pursuant to which the Company has agreed to subcontract to Xinjiang Cares respectively: (i) the construction of the departure system and the security inspection information system for the Korla 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 five-year quality warranty for the departure system and the security inspection information system; and (ii) the procurement of the required hardware equipment for the departure system for the Urumqi Airport Project, which includes but not limited to, the provision, installation and testing of the required hardware equipment, and the three-year quality warranty.

Xinjiang Cares is a non-wholly owned subsidiary of the Company, which is owned as to 51% by the Company and 24.5% by Southern Holding. Southern Holding is a substantial shareholder of the Company as at the date of this announcement. Xinjiang Cares is therefore a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Xinjiang Cares Subcontract Agreements constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the considerations under the Xinjiang Cares Subcontract Agreements on an aggregate basis is more than 0.1% but less than 5%, the transactions contemplated under the Xinjiang 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. XINJIANG CARES SUBCONTRACT AGREEMENTS

On 11 May 2017, the Company entered into two Xinjiang Cares Subcontract Agreements with Xinjiang Cares, pursuant to which the Company has agreed to subcontract to Xinjiang Cares respectively: (i) the construction of the departure system and the security inspection information system for the Korla 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 five-year quality warranty for the departure system and the security inspection information system; and (ii) the procurement of the required hardware equipment for the departure system for the Urumqi Airport Project, which includes but not limited to, the provision, installation and testing of the required hardware equipment, and the three-year quality warranty.

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

1.1 Xinjiang Cares Korla Airport Subcontract Agreement

Date:	11 May 2017
Parties:	(1) the Company (as contractor); and (2) Xinjiang Cares (as subcontractor)
Scope of work:	The Company will subcontract to Xinjiang Cares the construction of the departure system and the security inspection information system for the Korla 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 five-year quality warranty for the departure system and the security inspection information system.
Consideration:	RMB5,405,075.00 (equivalent to approximately HK\$6,107,734.75)

The consideration shall be paid by the Company to Xinjiang Cares in four instalments according to the project progress as scheduled in the Xinjiang Cares Korla 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 Xinjiang Cares Korla 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.

1.2 Xinjiang Cares Urumqi Airport Subcontract Agreement

Date: 11 May 2017

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

Scope of work: The Company will subcontract to Xinjiang Cares the procurement of the required hardware equipment for the departure system for the Urumqi Airport Project, which includes but not limited to, the provision, installation and testing of the required hardware equipment, and the three-year quality warranty.

Consideration: RMB2,639,400.00 (equivalent to approximately HK\$2,982,522.00)

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

The parties may enter into a supplemental agreement to amend the consideration according to the actual purchase amount of the required hardware under the Xinjiang Cares Urumqi 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 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 Korla Airport Project and Urumqi Airport Project as a general contractor. Xinjiang Cares is principally engaged in the provision of computer software and hardware development and data network services. Xinjiang Cares has the necessary qualifications, capabilities and technological skills required to carry out the relevant works as specified under the Xinjiang Cares Subcontract Agreements. The Board is of the view that it will be for the benefit of the Company to subcontract to Xinjiang Cares the relevant works as specified under the aforementioned subcontract agreements.

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

Xinjiang Cares is a non-wholly owned subsidiary of the Company, which is owned as to 51% by the Company and 24.5% by Southern Holding. Southern Holding is a substantial shareholder of the Company as at the date of this announcement. Xinjiang Cares is therefore a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Xinjiang Cares Subcontract Agreements constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the considerations under the Xinjiang Cares Subcontract Agreements on an aggregate basis is more than 0.1% but less than 5%, the transactions contemplated under the Xinjiang 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. Yuan Xin'an, a non-executive Director, has abstained from voting on the resolution in relation to the Xinjiang 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 Xinjiang Cares Subcontract Agreements, and none of them has abstained from voting on the relevant Board resolution.

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

Information on Xinjiang Cares

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

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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Korla Airport Project”	the construction of the departure system and the security inspection information system of the Korla Airport* (庫爾勒機場), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“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
“Shareholder(s)”	the shareholder(s) of the Company
“Southern Holding”	中國南方航空集團公司 (China Southern Air Holding Company*), 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
“Urumqi Airport Project”	the procurement of the required hardware equipment for the departure system for the Urumqi International Airport* (烏魯木齊國際機場), which includes but not limited to, the provision, installation and testing of the required hardware equipment
“Xinjiang Cares”	Civil Aviation Cares Technology of Xinjiang Ltd * (新疆民航凱亞信息網絡有限責任公司)
“Xinjiang Cares Korla Airport Subcontract Agreement”	the subcontract agreement dated 11 May 2017 between the Company and Xinjiang Cares pursuant to which the Company has agreed to subcontract to Xinjiang Cares the construction of the departure system and the security inspection information system for the Korla Airport Project
“Xinjiang Cares Subcontract Agreements”	the Xinjiang Cares Korla Airport Subcontract Agreement and the Xinjiang Cares Urumqi Airport Subcontract Agreement
“Xinjiang Cares Urumqi Airport Subcontract Agreement”	the subcontract agreement dated 11 May 2017 between the Company and Xinjiang Cares pursuant to which the Company has agreed to subcontract to Xinjiang Cares the procurement of the required hardware equipment for the departure system for the Urumqi Airport Project
“%”	per cent

* for identification purposes only

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.13 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
11 May 2017

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.