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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 TRANSACTION:
XINJIANG CARES SUBCONTRACT AGREEMENT**

On 10 August 2017, the Company entered into the Xinjiang Cares Subcontract Agreement with 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 Shache Airport Project, which includes but not limited to, the installation and testing of the required software and hardware and the system implementation as well as the five-year quality warranty for the departure system and the security inspection information system.

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 transaction contemplated under the Xinjiang Cares Subcontract Agreement constitute a connected transaction of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the consideration under the Xinjiang Cares Subcontract Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Xinjiang Cares Subcontract Agreement is subject to the announcement requirement but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

1. XINJIANG CARES SUBCONTRACT AGREEMENT

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

Date: 10 August 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 Shache Airport Project, which includes but not limited to, the installation and testing of the required software and hardware and the system implementation as well as the five-year quality warranty for the departure system and the security inspection information system.

Consideration: RMB5,041,140.00 (equivalent to approximately HK\$5,797,311.00)

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 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 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 TRANSACTION

The Company has undertaken the Shache 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 qualification, capability and technological skill required to carry out the relevant work as specified under the Xinjiang Cares Subcontract Agreement. The Board is of the view that it will be for the benefit of the Company to subcontract to Xinjiang Cares the relevant work as specified under the aforementioned agreement.

The Directors (including the independent non-executive Directors) are of the view that the transaction under the Xinjiang Cares Subcontract 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 transaction 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 transaction contemplated under the Xinjiang Cares Subcontract Agreement constitute a connected transaction of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the consideration under the Xinjiang Cares Subcontract Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Xinjiang Cares Subcontract Agreement is 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 Agreement as he is an employee of Southern Holding. Save as disclosed above, none of the Directors has a material interest in the transaction contemplated under the Xinjiang Cares Subcontract Agreement, 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 depository 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
“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
“Shache Airport Project”	the construction of the departure system and the security inspection information system of the Shache Airport* (莎車機場), which includes but not limited to, the 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
“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 Subcontract Agreement”	the subcontract agreement dated 10 August 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 Shache Airport Project
“%”	per cent

* *for identification purposes only*

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.15 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

10 August 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.