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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:
XINJIANG CARES SUBCONTRACT AGREEMENTS**

On 25 October 2017, the Company entered into the Xinjiang Cares Hetian Airport Subcontract Agreement with Xinjiang Cares, pursuant to which the Company has agreed to subcontract to Xinjiang Cares the construction of the departure system for the Hetian 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.

On 2 February 2018, the Company entered into the Xinjiang Cares Ruoqiang Airport 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 Ruoqiang 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.

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 consideration under the Xinjiang Cares Ruoqiang Airport Subcontract Agreement in aggregate with the Xinjiang Cares Hetian Airport Subcontract Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Xinjiang Cares Ruoqiang Airport 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 AGREEMENTS

On 25 October 2017, the Company entered into the Xinjiang Cares Hetian Airport Subcontract Agreement with Xinjiang Cares, pursuant to which the Company has agreed to subcontract to Xinjiang Cares the construction of the departure system for the Hetian 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.

On 2 February 2018, the Company entered into the Xinjiang Cares Ruoqiang Airport 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 Ruoqiang 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.

Details of the Xinjiang Cares Subcontract Agreements are set out below:

1.1 Xinjiang Cares Hetian Airport Subcontract Agreement

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| Date: | 25 October 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 for the Hetian 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. |
| Consideration: | RMB3,743,100.00 (equivalent to approximately HK\$4,566,582.00) 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 Hetian 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 Hetian 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 Ruoqiang Airport Subcontract Agreement

Date: 2 February 2018

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 Ruoqiang 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: RMB5,368,209.56 (equivalent to approximately HK\$6,549,215.67)

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 Ruoqiang 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 Ruoqiang 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 Hetian Airport Project and the Ruoqiang 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 Hetian Airport Subcontract Agreement and Xinjiang Cares Ruoqiang Airport 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 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 consideration under the Xinjiang Cares Ruoqiang Airport Subcontract Agreement in aggregate with the Xinjiang Cares Hetian Airport Subcontract Agreement is more than 0.1% but less than 5%, the

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| “Hetian Airport Project” | the construction of the departure system of the Xinjiang Hetian Airport* (新疆和田機場) for its renovation and expansion, which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof |
| “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 |
| “Ruoqiang Airport Project” | the construction of the departure system and the security inspection information system of the Xinjiang Ruoqiang Civil Airport* (新疆若羌民用機場) for its weak current system, 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 |
| “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) |

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| “Xinjiang Cares Subcontract Agreements” | collectively, Xinjiang Cares Hetian Airport Subcontract Agreement and Xinjiang Cares Ruoqiang Airport Subcontract Agreement |
| “Xinjiang Cares Hetian Airport Subcontract Agreement” | the subcontract agreement dated 25 October 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 for the Hetian Airport Project |
| “Xinjiang Cares Ruoqiang Airport Subcontract Agreement” | the subcontract agreement dated 2 February 2018 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 Ruoqiang Airport Project |
| “%” | per cent |

* *for identification purposes only*

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.22 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 February 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.