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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 6 March 2018, the Company entered into the Xinjiang Cares Urumqi International Airport Data Interface Project Subcontract Agreement with Xinjiang Cares, pursuant to which Xinjiang Cares had agreed to subcontract to the Company the construction of the data interface project of the flight information integration system for the Urumqi International Airport Data Interface 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 data interface project of the flight information integration system.

On 20 June 2018, the Company entered into the Xinjiang Cares Xinjiang Tumushuke 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 Xinjiang Tumushuke 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.

On 13 July 2018, the Company entered into the Xinjiang Cares Urumqi International Airport QR Code Upgrade Project Subcontract Agreement with Xinjiang Cares, pursuant to which Xinjiang Cares had agreed to subcontract to the Company the construction of the QR code upgrade project of the departure system for the Urumqi International Airport QR Code Upgrade 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 QR code upgrade project of the departure 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 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 6 March 2018, the Company entered into the Xinjiang Cares Urumqi International Airport Data Interface Project Subcontract Agreement with Xinjiang Cares, pursuant to which Xinjiang Cares had agreed to subcontract to the Company the construction of the data interface project of the flight information integration system for the Urumqi International Airport Data Interface 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 data interface project of the flight information integration system.

On 20 June 2018, the Company entered into the Xinjiang Cares Xinjiang Tumushuke 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 Xinjiang Tumushuke 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.

On 13 July 2018, the Company entered into the Xinjiang Cares Urumqi International Airport QR Code Upgrade Project Subcontract Agreement with Xinjiang Cares, pursuant to which Xinjiang Cares had agreed to subcontract to the Company the construction of the QR code upgrade project of the departure system for the Urumqi International Airport QR Code Upgrade 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 QR code upgrade project of the departure system.

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

1.1 Xinjiang Cares Urumqi International Airport Data Interface Project Subcontract Agreement

Date: 6 March 2018

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

Scope of work: Xinjiang Cares will subcontract to the Company the construction of the data interface project of the flight information integration system for the Urumqi International Airport Data Interface 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 data interface project of the flight information integration system.

Consideration: RMB700,000.00 (equivalent to approximately HK\$861,000.00)

The consideration shall be paid by Xinjiang Cares to the Company in a lump sum according to the project progress as scheduled in the Xinjiang Cares Urumqi International Airport Data Interface Project 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 Urumqi International Airport Data Interface Project 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 Xinjiang Tumushuke Airport Subcontract Agreement

Date: 20 June 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 Xinjiang Tumushuke 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: RMB5,074,485.11 (equivalent to approximately HK\$6,241,616.69)

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 Xinjiang Tumushuke 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 Xinjiang Tumushuke 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.

1.3 Xinjiang Cares Urumqi International Airport QR Code Upgrade Project Subcontract Agreement

Date: 13 July 2018

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

Scope of work: Xinjiang Cares will subcontract to the Company the construction of the QR code upgrade project of the departure system for the Urumqi International Airport QR Code Upgrade 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 QR code upgrade project of the departure system.

Consideration: RMB1,638,000.00 (equivalent to approximately HK\$2,014,740.00)

The consideration shall be paid by Xinjiang Cares to the Company in two instalments according to the project progress as scheduled in the Xinjiang Cares Urumqi International Airport QR Code Upgrade Project 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 Urumqi International Airport QR Code Upgrade Project 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 Urumqi International Airport Data Interface Project and the Urumqi International Airport QR Code Upgrade Project from Xinjiang Cares, and the Company has undertaken the Xinjiang Tumushuke Airport Project as a general contractor. Xinjiang Cares is principally engaged in the provision of computer software and hardware development and data network services. Both the Company and Xinjiang Cares have the necessary qualifications, capabilities and technological skills required to carry out the relevant works as specified under the Xinjiang Cares Urumqi International Airport Data Interface Project Subcontract Agreement, the Xinjiang Cares Xinjiang Tumushuke Airport Subcontract Agreement and the Xinjiang Cares

Urumqi International Airport QR Code Upgrade Project 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 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 Board 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
“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”	China Southern Air Holding Company Limited* (中國南方航空集團有限公司), 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

<p>“Urumqi International Airport Data Interface Project”</p>	<p>the construction of the data interface project of the flight information integration system of the Urumqi International Airport* (烏魯木齊國際機場) for its renovation and expansion, which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof</p>
<p>“Urumqi International Airport QR Code Upgrade Project”</p>	<p>the construction of the QR code upgrade project of the departure system of the Urumqi International Airport* (烏魯木齊國際機場), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof</p>
<p>“Xinjiang Cares”</p>	<p>Civil Aviation Cares Technology of Xinjiang Ltd* (新疆民航凱亞信息網絡有限責任公司)</p>
<p>“Xinjiang Cares Subcontract Agreements”</p>	<p>collectively, Xinjiang Cares Urumqi International Airport Data Interface Project Subcontract Agreement, Xinjiang Cares Xinjiang Tumushuke Airport Subcontract Agreement and Xinjiang Cares Urumqi International Airport QR Code Upgrade Project Subcontract Agreement</p>
<p>“Xinjiang Cares Urumqi International Airport Data Interface Project Subcontract Agreement”</p>	<p>the subcontract agreement dated 6 March 2018 between the Company and Xinjiang Cares pursuant to which Xinjiang Cares has agreed to subcontract to the Company the construction of the data interface project of the flight information integration system for the Urumqi International Airport Project</p>
<p>“Xinjiang Cares Urumqi International Airport QR Code Upgrade Project Subcontract Agreement”</p>	<p>the subcontract agreement dated 13 July 2018 between the Company and Xinjiang Cares pursuant to which Xinjiang Cares has agreed to subcontract to the Company the construction of the QR code upgrade project of the departure system for the Urumqi International Airport Project</p>
<p>“Xinjiang Cares Xinjiang Tumushuke Airport Subcontract Agreement”</p>	<p>the subcontract agreement dated 20 June 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 Xinjiang Tumushuke Airport Project</p>

“Xinjiang Tumushuke Airport Project” the construction of the departure system and the security inspection information system of the Xinjiang Tumushuke Airport* (新疆圖木舒克機場), 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\$1.23 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
13 July 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.