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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:
QINGDAO CARES SUBCONTRACT AGREEMENT;
DONGBEI CARES SUBCONTRACT AGREEMENT;
AND XIAMEN CARES SUBCONTRACT AGREEMENT**

On 2 January 2018, the Company entered into the Qingdao Cares Subcontract Agreement with Qingdao Cares, pursuant to which Qingdao Cares has agreed to subcontract to the Company the construction of the departure system and the security inspection information system for the Changchun 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 departure system and the security inspection information system.

On 2 January 2018, the Company entered into the Dongbei Cares Subcontract Agreement with Dongbei Cares, pursuant to which the Company has agreed to subcontract to Dongbei Cares the construction of the departure system and the security inspection information system for the Changchun 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 departure system and the security inspection information system.

On 2 January 2018, the Company entered into the Xiamen Cares Subcontract Agreement with Xiamen Cares, pursuant to which the Company has agreed to subcontract to Xiamen Cares the construction of the security inspection information system for the Changchun Airport Project, which includes, but not limited to, the procurement of the required software and the two-year quality warranty for the security inspection information system.

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

Since the highest applicable Percentage Ratio calculated with reference to each of the considerations under the Qingdao Cares Subcontract Agreement, the Dongbei Cares Subcontract Agreement and the Xiamen Cares Subcontract Agreement is more than 0.1% but less than 5%, each of the transactions contemplated under the Qingdao Cares Subcontract Agreement, the Dongbei Cares Subcontract Agreement and the Xiamen 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. QINGDAO CARES SUBCONTRACT AGREEMENT

On 2 January 2018, the Company entered into the Qingdao Cares Subcontract Agreement with Qingdao Cares, pursuant to which Qingdao Cares has agreed to subcontract to the Company the construction of the departure system and the security inspection information system for the Changchun 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 departure system and the security inspection information system.

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

Date: 2 January 2018

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

Scope of work: Qingdao Cares will subcontract to the Company the construction of the departure system and the security inspection information system for the Changchun 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 departure system and the security inspection information system.

Consideration: RMB42,293,538.00 (equivalent to approximately HK\$50,329,310.22)

The consideration shall be paid by Qingdao Cares to the Company in five instalments according to the project progress as scheduled in the Qingdao 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 Qingdao 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. DONGBEI CARES SUBCONTRACT AGREEMENT

On 2 January 2018, the Company entered into the Dongbei Cares Subcontract Agreement with Dongbei Cares, pursuant to which the Company has agreed to subcontract to Dongbei Cares the construction of the departure system and the security inspection information system for the Changchun 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 departure system and the security inspection information system.

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

Date: 2 January 2018

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

Scope of work: The Company will subcontract to Dongbei Cares the construction of the departure system and the security inspection information system for the Changchun 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 departure system and the security inspection information system.

Consideration: RMB19,209,138.00 (equivalent to approximately HK\$22,858,874.22)

The consideration shall be paid by the Company to Dongbei Cares in five instalments according to the project progress as scheduled in the Dongbei 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 Dongbei 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.

3. XIAMEN CARES SUBCONTRACT AGREEMENT

On 2 January 2018, the Company entered into the Xiamen Cares Subcontract Agreement with Xiamen Cares, pursuant to which the Company has agreed to subcontract to Xiamen Cares the construction of the security inspection information system for the Changchun Airport Project, which includes, but not limited to, the procurement of the required software and the two-year quality warranty for the security inspection information system.

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

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 Changchun Airport Project, which includes, but not limited to, the procurement of the required software and the two-year quality warranty for the security inspection information system.

Consideration: RMB950,000.00 (equivalent to approximately HK\$1,130,500.00)

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

4. REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTIONS

The Company has undertaken the Changchun Airport Project from Qingdao Cares. Dongbei Cares and Xiamen Cares are principally engaged in the provision of computer software and hardware development and data network services. Each of Dongbei Cares and Xiamen Cares has the necessary qualifications, capabilities and technological skills required to carry out the relevant works as specified under the Dongbei Cares Subcontract Agreement and the Xiamen Cares Subcontract Agreement, respectively. The Board is of the view that it will be for the benefit of the Company to subcontract to Dongbei Cares and Xiamen Cares the relevant work as specified under the aforementioned agreements.

The Directors (including the independent non-executive Directors) are of the view that the transactions under the Qingdao Cares Subcontract Agreement, the Dongbei Cares Subcontract Agreement and the Xiamen 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 transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. IMPLICATIONS UNDER THE LISTING RULES

Qingdao Cares is a non-wholly-owned subsidiary of the Company, which is owned as to 51% by the Company, 36% by Qingdao International Airport Company* (青島國際機場集團有限公司) and 13% by Shanghai Civil Aviation East China Cares System Integration Co., Ltd.* (上海民航華東凱亞系統集成有限公司). Shanghai Civil Aviation East China Cares System Integration Co., Ltd.* is owned as to 41% by Eastern Airlines. Eastern Airlines is a subsidiary of Eastern Holding, and Eastern Holding is a substantial shareholder of the Company as at the date of this announcement. Qingdao Cares is therefore a connected person of the Company under the Listing Rules. As such, the transaction contemplated under the Qingdao Cares Subcontract Agreement constitutes a connected transaction of the Company.

Dongbei Cares is owned as to 46% by the Company and over 30% by Southern Holding. Southern Holding is a substantial Shareholder of the Company as at the date of this announcement. As an associate of Southern Holding, Dongbei Cares is a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Therefore, the transaction contemplated under the Dongbei Cares Subcontract Agreement entered into between the Company and Dongbei Cares constitutes a connected transaction 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 each of the considerations under the Qingdao Cares Subcontract Agreement, the Dongbei Cares Subcontract Agreement and the Xiamen Cares Subcontract Agreement is more than 0.1% but less than 5%, each of the transactions contemplated under the Qingdao Cares Subcontract Agreement, the Dongbei Cares Subcontract Agreement and the Xiamen 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. Li Yangmin, a non-executive Director, has abstained from voting on the resolution in relation to the Qingdao Cares Subcontract Agreement as he is a director of Eastern Airlines and an employee of Eastern Holding. Mr. Yuan Xin'an, a non-executive Director, has abstained from voting on the resolutions in relation to the Dongbei Cares Subcontract Agreement and the Xiamen 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 transactions contemplated under the Qingdao Cares Subcontract Agreement, the Dongbei Cares Subcontract Agreement and the Xiamen Cares Subcontract Agreement, and none of them has abstained from voting on the relevant Board resolutions.

6. 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 Qingdao Cares

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

Information on Dongbei Cares

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

Information on Xiamen Cares

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

7. DEFINITIONS

In this announcement, the following expressions shall have the meaning set out below unless the context requires otherwise:

“Board”	the board of Directors
“Changchun Airport Project”	the construction of the departure system and the security inspection information system of the Second Stage Expansion Project of Changchun Longjia International Airport* (長春龍嘉國際機場二期擴建工程), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“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
“Dongbei Cares”	Shenyang Civil Aviation Cares of Northeast China, Ltd.* (瀋陽民航東北凱亞有限公司)
“Dongbei Cares Subcontract Agreement”	the subcontract agreement dated 2 January 2018 between the Company and Dongbei Cares pursuant to which the Company has agreed to subcontract to Dongbei Cares the construction of the departure system and the security inspection information system for the Changchun Airport Project

“Eastern Airlines”	China Eastern Airlines Corporation Limited* (中國東方航空股份有限公司), a subsidiary of Eastern Holding as at the date of this announcement
“Eastern Holding”	China Eastern Air Holding Limited* (中國東方航空集團公司), a substantial Shareholder of the Company as at the date of this announcement
“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
“Qingdao Cares”	Civil Aviation Cares of Qingdao Limited* (青島民航凱亞系統集成有限公司)
“Qingdao Cares Subcontract Agreement”	the construction agreement dated 2 January 2018 between the Company and Qingdao Cares pursuant to which Qingdao Cares has agreed to subcontract to the Company the construction of the departure system and the security inspection information system for the Changchun Airport Project
“RMB”	Renminbi, the lawful currency of the PRC
“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 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 Changchun Airport Project
“%”	per cent

* *for identification purposes only*

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.19 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.