

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:
IMPLEMENTATION AGREEMENT AND
PROCUREMENT AGREEMENT WITH HAINAN CARES**

On 7 April 2016, the Company and Hainan Cares entered into the Implementation Agreement, pursuant to which Hainan Cares shall provide the Company the implementation and services for the departure information system of the Boao Airport.

On the same date, the Company and Hainan Cares also entered into the Procurement Agreement, pursuant to which Hainan Cares shall provide the Company the required software and hardware equipment for the departure information system of the Boao Airport.

Hainan Cares is a connected person of the Company under the Listing Rules. As such, the Implementation Agreement and the Procurement Agreement entered into between Hainan Cares and the Company and the transactions contemplated thereunder constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the consideration under the Implementation Agreement and the Procurement Agreement on an aggregate basis is more than 0.1% but less than 5%, the transactions contemplated under these agreements are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

1. IMPLEMENTATION AGREEMENT

On 7 April 2016, the Company and Hainan Cares entered into the Implementation Agreement, pursuant to which Hainan Cares shall provide the Company the implementation and services for the departure information system of the Boao Airport.

Further details of the Implementation Agreement are set out below:

Date: 7 April 2016

Parties: (1) the Company; and
(2) Hainan Cares

Scope of work: Hainan Cares shall provide the Company the implementation and services for the departure information system of the Boao Airport.

Consideration: RMB606,000 (equivalent to approximately HK\$721,140).

The consideration shall be paid by the Company to Hainan Cares in three instalments as scheduled in the Implementation Agreement according to the project progress.

The parties may enter into a supplemental agreement to amend the consideration. 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. PROCUREMENT AGREEMENT

On the same date, the Company and Hainan Cares also entered into the Procurement Agreement, pursuant to which Hainan Cares shall provide the Company the required software and hardware equipment for the departure information system of the Boao Airport. Further details of the Procurement Agreement are set out below:

Date: 7 April 2016

Parties: (1) the Company; and

(2) Hainan Cares

Scope of work: Hainan Cares shall provide the required software and hardware equipment for the departure information system of the Boao Airport, which includes but not limited to, the procurement, installation and testing of the required software and hardware equipment, and the one-year quality warranty.

Consideration: RMB5,018,220 (equivalent to approximately HK\$5,971,681.8).

The consideration shall be paid by the Company to Hainan Cares in three instalments as scheduled in the Procurement Agreement according to the project progress.

The parties may enter into a supplemental agreement to amend the consideration according to the actual purchase amount of the aforementioned consideration. 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. REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTION

Hainan Cares is principally engaged in the provision of electronic travel distribution and cargo management services and sale and installation of the related information systems. It has the necessary qualification, capability and technological skills required to carry out the relevant work as specified under the Implementation Agreement and the Procurement Agreement. The Board is of the view that it will be for the benefit of the Company to entrust Hainan Cares to provide the services as specified under the Implementation Agreement and the Procurement Agreement.

The Directors (including the independent non-executive Directors) are of the view that the transaction under the Implementation Agreement and the Procurement 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.

4. IMPLICATIONS UNDER THE LISTING RULES

Hainan Cares is a non-wholly owned subsidiary of the Company and is directly owned as to 22.74% by Southern Holding, a substantial Shareholder of the Company as at the date of this announcement. As Southern Holding directly holds interests in more than 10% shareholding in Hainan Cares, Hainan Cares is a connected person of the Company under the Listing Rules. As such, the Implementation Agreement and the Procurement Agreement entered into between Hainan Cares and the Company and the transactions contemplated thereunder constitute connected transactions of the Company.

Since the highest applicable Percentage Ratio calculated with reference to the consideration under the Implementation Agreement and the Procurement Agreement on an aggregate basis is more than 0.1% but less than 5%, the transactions contemplated under these agreements are subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement of Chapter 14A of the Listing Rules.

Mr. Yuan Xin'an has abstained from voting on the relevant Board resolution in respect of the Implementation Agreement and the Procurement Agreement as he is an employee of Southern Holding. Save as disclosed above, none of the Directors has a material interest in any of the transactions contemplated under the aforementioned agreements and none of them has abstained from voting on the relevant Board resolution.

5. 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 Hainan Cares

Hainan Cares is principally engaged in the provision of electronic travel distribution and cargo management services and sale and installation of the related information systems.

6. DEFINITIONS

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

“Boao Airport”	博鰲機場 (Boao Airport*), an airport located at Boao, Hainan Province, the PRC
“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”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hainan Cares”	Hainan Civil Aviation Cares Co., Ltd.* (海南民航凱亞有限公司), a company incorporated under the laws of the PRC and directly held as to 64.78% of the equity interests by the Company as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Implementation Agreement”	the agreement dated 7 April 2016 between the Company and Hainan Cares pursuant to which Hainan Cares shall provide the Company the implementation and services for the departure information system of the Boao Airport
“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 and the Macau Special Administrative Region

“Procurement Agreement”	the agreement dated 7 April 2016 between the Company and Hainan Cares pursuant to which Hainan Cares shall provide the Company the required software and hardware equipment for the departure information system of the Boao Airport
“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
“%”	per cent

* *for identification purposes only*

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB 1 = 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
Yu Xiaochun
Company Secretary

Beijing, PRC
7 April 2016

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. Cheung Yuk Ming, Mr. Cao Shiqing and Dr. Ngai Wai Fung.**