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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: 696)

**CONNECTED TRANSACTION
TECHNOLOGY DEVELOPMENT AGREEMENT
WITH QINGDAO CARES**

On 10 January 2013, the Company entered into the Technology Development Agreement with Qingdao Cares, pursuant to which the Company will entrust Qingdao Cares to research on and develop a new generation of airport operation and management system for the Company.

Qingdao Cares is a connected person of the Company pursuant to Rule 14A.11(5) of the Listing Rules. Since the highest applicable Percentage Ratio calculated with reference to the consideration under the Technology Development Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Technology Development Agreement constitutes a connected transaction of the Company and is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement of Chapter 14A of the Listing Rules.

CONNECTED TRANSACTION

On 10 January 2013, the Company entered into the Technology Development Agreement with Qingdao Cares, pursuant to which the Company will entrust Qingdao Cares to research on and develop a new generation of airport operation and management system for the Company. Further details of the Technology Development Agreement are set out below:

Date: 10 January 2013

Parties: (1) the Company
(2) Qingdao Cares

Scope of work: The Company will entrust Qingdao Cares to research on and develop a new generation of airport operation and management system for the Company.

Time requirements: Qingdao Cares should complete the work of technology research and development within approximately 380 working days after the date of the Technology Development Agreement.

Consideration: An aggregate of RMB9,800,000 (equivalent to approximately HK\$12,054,000) will be payable by the Company to Qingdao Cares.

The consideration shall be paid by the Company to Qingdao Cares in cash by installments, normally within 10 working days after certain milestones, including:

- RMB1,800,000 (equivalent to approximately HK\$2,214,000) payable within 10 working days after the signing of the Technology Development Agreement;
- RMB1,300,000 (equivalent to approximately HK\$1,599,000) payable within 10 working days after completion of the demands research phase;
- RMB1,700,000 (equivalent to approximately HK\$2,091,000) payable within 10 working days after completion of project design phase;
- RMB2,700,000 (equivalent to approximately HK\$3,321,000) payable within 10 working days after completion of project development of various modules;
- RMB1,500,000 (equivalent to approximately HK\$1,845,000) payable within 10 working days after completion of system testing phase; and
- RMB800,000 (equivalent to approximately HK\$984,000) payable within 10 working days after completion of the system acceptance phase.

The above consideration has been determined and agreed between the parties on an arm's length basis based on the scale of work and actual circumstances and after taking into account the costs and income of both parties and market conditions.

Ownership of the subject matter: The research and development results and the relevant intellectual properties created in the course of performance of the Technology Development Agreement will belong to the Company.

REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTION

Qingdao Cares has years of experience in maintenance, management, research and development of airport operation and management systems. In order to meet the evolving needs of the customers and better integrate the flights on-schedule ensurance, passenger services and airport operation and management, Qingdao Cares has proposed the development of a new generation of airport operation and management system and has conducted feasibility study. The successful completion of the development of such new generation of airport operation and management system will expect to enhance the quality and standard of the Group's services and improve efficiency and synergy of different sectors of airport operations.

The Directors (including the independent non-executive Directors) are of the view that the transactions under the Technology Development 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.

Mr. Xu Zhao has abstained from voting on the Technology Development Agreement as he is a director of Eastern Airlines. In addition, Mr. Xiao Yinhong has abstained from voting on the Technology Development Agreement as he is a director of Qingdao Cares. Except for the above, none of the Directors has a material interest in the transactions contemplated under the Technology Development Agreement and none of them has abstained from voting on the relevant board resolutions.

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 青島國際機場集團有限公司 (Qingdao International Airport Company*) and 13% by 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.*). Shanghai Civil Aviation East China Cares System Integration Co., Ltd. is owned as to 41% by Eastern Airlines, a subsidiary of Eastern Holding, a substantial shareholder of the Company with a shareholding of 11.22% in the Company as at the date of this announcement. Qingdao Cares is therefore a connected person of the Company pursuant to Rule 14A.11(5) of the Listing Rules.

Since the highest applicable Percentage Ratio calculated with reference to the considerations under the Technology Development Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Technology Development Agreement constitutes a connected transaction of the Company and is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement of Chapter 14A of the Listing Rules.

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 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 provision of computer software and hardware development and data network services.

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”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Eastern Airlines”	中國東方航空股份有限公司 (China Eastern Airlines Corporation Limited*) which has a shareholding of 0.27% in the Company and is a subsidiary of Eastern Holding as at the date of this announcement
“Eastern Holding”	中國東方航空集團公司 (China Eastern Air Holding Limited*) which has a shareholding of 11.22% in the Company and is 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 Ratios”	the percentage ratios 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
“Qingdao Cares”	青島民航凱亞系統集成有限公司 (Civil Aviation Cares of Qingdao Limited*)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Technology Development Agreement”	the technology development agreement dated 10 January 2013 between the Company and Qingdao Cares pursuant to which the Company will entrust Qingdao Cares to research on and develop a new generation of the airport operation and management system for the Company
“%”	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
Xu Qiang
Chairman

Beijing, PRC
10 January 2013

As at the date of this announcement, the Board comprises:

Executive Directors: Mr. Xu Qiang (Chairman), Mr. Cui Zhixiong and Mr. Xiao Yinhong;

Non-executive Directors: Mr. Wang Quanhua, Mr. Sun Yude and Mr. Xu Zhao;

Independent non-executive Directors: Mr. Cheung Yuk Ming, Mr. Zhou Deqiang and Mr. Pan Chongyi.