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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 TRANSACTION:
QINGDAO CARES SUBCONTRACT AGREEMENT**

On 25 March 2019, 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 and security inspection information system for the Qingdao New Airport Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation as well as the one-year quality warranty for the departure and security inspection information system.

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.

Since the highest applicable Percentage Ratio calculated with reference to the consideration under the Qingdao Cares Subcontract Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Qingdao 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 25 March 2019, 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 and security inspection information system for the Qingdao New

Airport Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the system implementation as well as the one-year quality warranty for the departure and security inspection information system.

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

Date: 25 March 2019

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 and security inspection information system for the Qingdao New Airport Project, which includes but not limited to, the procurement, installation and testing of the required software and hardware and the overall system implementation as well as the one-year quality warranty for the departure and security inspection information system.

Consideration: RMB55,131,145.00 (equivalent to approximately HK\$64,503,439.65)

The consideration shall be paid by Qingdao Cares to the Company in four 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. REASONS FOR AND BENEFITS OF THE CONNECTED TRANSACTION

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

The Directors (including the independent non-executive Directors) are of the view that the transaction under the Qingdao 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 transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. 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.

Since the highest applicable Percentage Ratio calculated with reference to the consideration under the Qingdao Cares Subcontract Agreement is more than 0.1% but less than 5%, the transaction contemplated under the Qingdao 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 then, has abstained from voting at the Board meeting to approve the transaction under the Qingdao Cares Subcontract Agreement as he is a director of Eastern Airlines and an employee of Eastern Holding. Except for the above, none of the Directors has a material interest in the transaction under the Qingdao Cares Subcontract Agreement 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 Qingdao Cares

Qingdao 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 depository 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
“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 Company Limited* (中國東方航空集團有限公司), 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 subcontract agreement dated 25 March 2019 between the Company and Qingdao Cares pursuant to which Qingdao Cares has agreed to subcontract to the Company the construction of the departure and security inspection information system for the Qingdao New Airport Project
“Qingdao New Airport Project”	the construction of the departure and relevant systems in the weak current program of the Qingdao Jiaodong International Airport* (青島膠東國際機場), which includes but not limited to, the procurement, installation, testing and implementation of certain systems thereof
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“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 RMB1 = HK\$1.17 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
25 March 2019

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. Tang Bing and Mr. Han Wensheng;

Independent non-executive Directors: Mr. Cao Shiqing, Dr. Ngai Wai Fung and Mr. Liu Xiangqun.