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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)

ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS
PURSUANT TO RULE 14A.60 OF THE LISTING RULES

This announcement is made by the Company pursuant to Rule 14A.60 of the Listing Rules.

Reference is made to the announcement of the Company dated 12 June 2020, in relation to (among other things), TravelSky Capital, a wholly-owned subsidiary of CTHCL, the substantial Shareholder of the Company, has agreed to make a capital contribution to TravelSky Mobile Tech. The relevant capital increase agreement was approved by the State-owned Assets Supervision and Administration Commission of the State Council on 29 June 2020. TravelSky Mobile Tech will become a connected person of the Company by virtue of being a 30%-controlled company of CTHCL upon the completion of the abovementioned capital contribution.

Before TravelSky Mobile Tech becomes a connected person of the Company, the Company and TravelSky Mobile Tech had entered into (i) the Service Agreement in relation to the provision of cloud services and computer system services by the Company to TravelSky Mobile Tech; and (ii) the Loan Agreement in relation to the provision of loan by the Company to TravelSky Mobile Tech. As such, the Service Agreement, the Loan Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under the Listing Rules.

Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules regarding the Service Agreement and the Loan Agreement. The Company will comply in full with all applicable reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Service Agreement and the Loan Agreement.

1. BACKGROUND

This announcement is made by the Company pursuant to Rule 14A.60 of the Listing Rules.

Reference is made to the announcement of the Company dated 12 June 2020, in relation to (among other things), TravelSky Capital, a wholly-owned subsidiary of CTHCL, the substantial Shareholder of the Company, has agreed to make a capital contribution to TravelSky Mobile Tech. The relevant capital increase agreement was approved by the State-owned Assets Supervision and Administration Commission of the State Council on 29 June 2020. TravelSky Mobile Tech will become a connected person of the Company by virtue of being a 30%-controlled company of CTHCL upon the completion of the abovementioned capital contribution.

2. CONTINUING CONNECTED TRANSACTIONS BETWEEN TRAVELSKY MOBILE TECH AND THE COMPANY

Before TravelSky Mobile Tech becomes a connected person of the Company, the Company and TravelSky Mobile Tech had entered into (i) the Service Agreement in relation to the provision of cloud services and computer system services by the Company to TravelSky Mobile Tech; and (ii) the Loan Agreement in relation to the provision of loan by the Company to TravelSky Mobile Tech. Details of the Service Agreement and the Loan Agreement are summarized as follows:

2.1 Service Agreement

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| Date: | 8 October 2016 (as supplemented by the supplementary agreement dated 26 May 2020) |
| Parties: | (1) the Company (as the service provider); and (2) TravelSky Mobile Tech (as the service recipient) |
| Term: | A total of five (5) years commencing from 1 August 2016 to 31 July 2021 |

According to the supplementary agreement to the Service Agreement, if the Company and TravelSky Mobile Tech have no objection, the Service Agreement may be renewed for two years upon expiration from 1 August 2021 to 31 July 2023. Under such circumstances, the Company will duly perform its compliance obligations in accordance with the applicable provisions of the Listing Rules.

Scope of services:

The Company continuously provides cloud services and computer system services to TravelSky Mobile Tech, mainly including, the provision of cloud computing infrastructure services (including but not limited to the lease of related servers, provision of storage services and ancillary database, backup and disaster recovery, computer room and operation and maintenance services), and services relating to advanced interactive executive for engines in cloud industry, etc.

Service fees:

Service fees are as follows:

The pricing of the aforementioned provision of services is determined through arm's length negotiation between the Company and TravelSky Mobile Tech with reference to the costs relating to the specific services and the processing volume and complexity of such services, and after taking into account the market conditions from time to time. Among which:

In respect of cloud computing infrastructure services, the pricing relating to the lease of related servers depends on the calculation performance (such as the kernels and memories) and operation and maintenance level of specific servers (the more advanced the calculation performance and operation and maintenance level involved, the higher the cost), and the unit price ranges from RMB1,721 per year (inclusive of tax) and RMB11,440 per year (inclusive of tax); the pricing of the storage services depends on the storage capacity and storage performance (the more advanced the storage capacity and storage performance involved, the higher the cost), and the unit price ranges from RMB2.41 per year (inclusive of tax) and RMB69.59 per year (inclusive of tax); the miscellaneous fees will be charged for other ancillary services in accordance with the pricing principles mentioned above; and

The unit price of advanced interactive executive for engines in the cloud industry is not more than RMB2.15 (inclusive of tax), among which, relevant services shall be tiered pricing (i.e. the higher the transaction volume, the lower the unit price, if applicable).

According to the supplementary agreement to the Service Agreement, TravelSky Mobile Tech shall pay an annual minimum service fee of no less than RMB40 million in aggregate to the Company in respect of the aforementioned services. If less than a year, aforementioned minimum service fee shall be calculated based on the days of actual provision of services. If the actual service fee payable exceeds aforementioned minimum service fee, it shall pay in accordance with the actual service fee. The calculation method of minimum service fee is determined through arm's length negotiation between the Company and TravelSky Mobile Tech with reference to the unit price of the aforementioned services, the historical transaction volume and the future business demand. The Company is of the view that the pricing method of aforementioned services and the setting of relevant minimum service fee are fair and reasonable so far as the Company is concerned.

Payment:

The service fees of the aforementioned services shall generally be calculated on an interim or monthly basis and settled to the Company's designated bank accounts.

As TravelSky Mobile Tech is a wholly-owned subsidiary of the Company, the Company provides the above services free of charge. According to the supplementary agreement to the Service Agreement, upon the completion of relevant capital contribution, TravelSky Mobile Tech will become a connected person of the Company, and the service fees shall be charged by the Company in accordance with the above pricing terms.

The estimated caps of the transactions under the Service Agreement for the period from the completion of relevant capital contribution to 31 December 2020 and for the period from 1 January 2021 to 31 July 2021 are RMB38 million and RMB54 million, which were calculated based on the historical transaction volume and the future business demand. If the above caps are expected to be exceeded, the Company will re-comply with all applicable reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

2.2 Loan Agreement

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| Date: | 24 July 2019 |
| Parties: | (1) the Company (as the lender); and (2) TravelSky Mobile Tech (as the borrower) |
| Amount of the loan: | Not more than RMB180 million, which may be drawn down by TravelSky Mobile Tech in one or more tranches with prior written notice. As at the date of this announcement, TravelSky Mobile Tech has drawn down all the above loan in an amount of RMB180 million in three tranches. |
| Term of the loan: | 365 days commencing from the date of actual receipt of loan |
| Interest rate: | 4.35% per annum |
| Repayment of the loan: | The principal amount of the loan together with respective accrued interest shall be paid by TravelSky Mobile Tech no later than the 365th day upon the date of actual receipt of such loan. In respect of early repayment, the interest shall be calculated based on the actual term of loan and the interest rate. |
| Default: | If TravelSky Mobile Tech fails to repay the loan and the interest incurred, the Company will charge a penalty at 0.03% of the overdue amount per day. |

3. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

In respect of the Service Agreement, the Group will receive service fees for provision of such services and thus the transactions contemplated under the Service Agreement will increase the total revenue of the Group.

In respect of the Loan Agreement, the provision of loan will enhance the working capital of TravelSky Mobile Tech and enable TravelSky Mobile Tech to expand its business, which will in turn bring investment returns to the Company.

The Directors (including the independent non-executive Directors) are of the view that the Service Agreement, the Loan Agreement and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and that the terms of such transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, TravelSky Mobile Tech is a wholly-owned subsidiary of the Company. TravelSky Mobile Tech will become a connected person of the Company by virtue of being a 30%-controlled company of CTHCL upon the completion of the capital contribution made by TravelSky Capital, a wholly-owned subsidiary of CTHCL, the substantial Shareholder of the Company.

As such, the ongoing transactions between the Company and TravelSky Mobile Tech before TravelSky Mobile Tech becomes a connected person of the Company will constitute continuing connected transactions of the Company under the Listing Rules.

Before TravelSky Mobile Tech becomes a connected person of the Company, the Company and TravelSky Mobile Tech had entered into (i) the Service Agreement in relation to the provision of cloud services and computer system services by the Company to TravelSky Mobile Tech; and (ii) the Loan Agreement in relation to the provision of loan by the Company to TravelSky Mobile Tech. As such, the Service Agreement, the Loan Agreement and the transactions contemplated thereunder will constitute continuing connected transactions of the Company under the Listing Rules.

Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules regarding the Service Agreement and the Loan Agreement. The Company will comply in full with all applicable reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Service Agreement and the Loan Agreement.

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 settlement and clearing services and information system development and support services to domestic and worldwide airline companies.

Information on TravelSky Mobile Tech

TravelSky Mobile Tech is a limited liability company incorporated in the PRC, and takes “Umetrip (航旅縱橫)” Application as its main product and provides mobile internet civil aviation information services, information technology services, software development, sale of computer software and hardware and so on.

Information on CTHCL

CTHCL is a wholly state-owned enterprise of PRC. As at the date of the announcement, it is a substantial Shareholder of the Company which holds 29.29% of the total issued share capital of the Company. It is principally engaged in the management of the state-owned assets and state-owned equity interests resulting from investments of the State in the group companies and its invested entities.

6. DEFINITIONS

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

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| “30%-controlled company” | has the same meaning as ascribed to it under the Listing Rules |
| “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 |
| “CTHCL” | China TravelSky Holding Company Limited* (中國民航信息集團有限公司), a substantial Shareholder of the Company as at the date of this announcement |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |

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| “Loan Agreement” | the loan agreement dated 24 July 2019 entered into between the Company and TravelSky Mobile Tech in relation to the provision of loan by the Company to TravelSky Mobile Tech |
| “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 |
| “Service Agreement” | the service agreement dated 8 October 2016 entered into between the Company and TravelSky Mobile Tech in relation to the provision of cloud services and computer system services by the Company to TravelSky Mobile Tech (as supplemented by the supplementary agreement dated 26 May 2020) |
| “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 |
| “TravelSky Capital” | TravelSky Capital Management Limited* (中航信啟航資本管理有限公司), a wholly-owned subsidiary of CTHCL as at the date of this announcement |
| “TravelSky Mobile Tech” | TravelSky Mobile Technology Limited* (中航信移動科技有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company as at the date of this announcement |
| “%” | per cent |

* *for identification purposes only*

By the order of the Board
TravelSky Technology Limited
Cui Zhixiong
Chairman

Beijing, PRC
29 June 2020

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

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

Non-executive Directors: Mr. Zhao Xiaohang, Mr. Xi Sheng and Mr. Luo Laijun;

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