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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)

**CONTINUING CONNECTED TRANSACTIONS:
DATA CENTRE TENANCY CONTRACT**

On 1 September 2022, the Company entered into the Data Centre Tenancy Contract with CTCD, pursuant to which CTCD has agreed to lease racks in server rooms of the Jiaxing Data Centre to the Company for a term of three years commencing from 1 September 2022 and ending on 31 August 2025.

CTHCL is a promoter and a substantial Shareholder of the Company which holds approximately 29.29% of the issued share capital of the Company as at the date of this announcement. CTCD is a wholly-owned subsidiary of CTHCL and thus a connected person of the Company. As such, the transactions contemplated under the Data Centre Tenancy Contract constitute continuing connected transactions of the Company under the Listing Rules.

Since the highest applicable percentage ratio calculated with reference to the annual caps of rack rental under the Data Centre Tenancy Contract exceeds 0.1% but is less than 5%, such transactions are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio calculated with reference to the annual caps of the additional charges under the Data Centre Tenancy Contract is less than 0.1%, such transactions are fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. INTRODUCTION

On 1 September 2022, the Company entered into the Data Centre Tenancy Contract with CTCD, pursuant to which CTCD has agreed to lease racks in server rooms in the Jiaxing Data Centre to the Company for a term of three years from 1 September 2022 to 31 August 2025.

2. PRINCIPAL TERMS OF THE DATA CENTRE TENANCY CONTRACT

- Date: 1 September 2022
- Parties: (1) CTCD, as lessor; and
(2) the Company, as tenant
- Rented areas: 250 racks in server rooms of the Jiaxing Data Centre including 36 3KW racks, 178 4KW racks and 36 5KW racks.
- Term: three years from 1 September 2022 to 31 August 2025.
- The Company has the right to renew the term by negotiating with CTCD one month prior to expiry of the term.
- Rack rental fees:
1. 36 3KW racks in total with RMB3,975 (equivalent to approximately HK\$4,578.33) per rack per month (tax inclusive, and tax rate is 6%);
 2. 178 4KW racks in total with RMB4,700 (equivalent to approximately HK\$5,413.37) per rack per month (tax inclusive, and tax rate is 6%);
 3. 36 5KW racks in total with RMB5,425 (equivalent to approximately HK\$6,248.41) per rack per month (tax inclusive, and tax rate is 6%);

Since the commencement date of the lease term, CTCD will charge the rack rental fees according to the number of racks used by the Company and the actual number of days of use of racks on a monthly basis.

Rental fees for each batch of racks for the first month = (monthly fees/number of days during the month) * actual number of days to use these racks, which shall be rounded up to the single digit and the nearest whole number. The fees will be charged normally on a monthly basis from the next month.

For the racks reserved but not used by the Company within 36 months from the commencement date of the lease term, CTCD will charge the rack rental fees at a concessionary rate of RMB2,256 (equivalent to approximately HK\$2,598.42) per rack per month (tax inclusive, and tax rate is 6%).

Additional charges:

The monthly average power of each rack shall not exceed 3KW (36 units), 4KW (178 units) and 5KW (36 units) in principle; if exceed, additional fees for the excess thereof shall be charged at a price of RMB219 (equivalent to approximately HK\$252.24) per A per rack per month (tax inclusive, and tax rate is 6%).

Payment term:

The rack rental fees shall be settled on a basis of calendar quarter. The Company shall pay the fees of last quarter to CTCD within 30 calendar days upon the receipt of invoice specifically used for value-added tax from CTCD. Any additional charges incurred shall be settled together.

If the payment of the rack rental fees and additional charges (if any), is one week overdue but the Company still fails to make payment without proper reasons, the Company shall pay an overdue penalty of 0.01% of the amounts payable to CTCD for each of the overdue days.

3. ANNUAL CAPS AND BASIS OF DETERMINATION OF THE ANNUAL CAPS

(1) Annual caps^{Note}

	From 1 September 2022 to 31 December 2022 (RMB)	From For the year ended 31 December 2023 (RMB)	From For the year ended 31 December 2024 (RMB)	From 1 January 2015 to 31 August 2025 (RMB)
Rack rental	5,000,000	14,000,000	14,000,000	9,000,000
Additional charges	1,000,000	1,000,000	1,000,000	1,000,000

Notes: (1) Pursuant to CASBE, the racks leased under the Data Centre Tenancy Contract will be recognised as right-of-use assets. Annual caps of the rack rental are set based on the total value of the right-of-use assets of racks expected to be leased by the Company in each year, which is calculated with reference to the total annual rentals of racks leased by the Company each year throughout the lease term, and based on discount of the Company's incremental borrowing rate.

(2) Pursuant to CASBE, the additional charges will be directly included in costs due to failing to meet the definition of lease payment, and its annual caps shall be maximum amount of the additional charges to be paid by the Company to CTCD during relevant period.

(2) Basis of determination of the annual caps

The annual caps of rack rental are determined based on the following factors: In order to satisfy the needs of Company's critical information infrastructure disaster recovery technology upgrade project based on hybrid architecture, the Company is required to add a server room module in the Jiaxing Data Centre to establish off-site disaster recovery center, which will be used for remote system backups and customer services. Based on the requirements of the disaster recovery project, the Company will lease 250 racks in server rooms module of the Jiaxing Data Centre and the estimated total annual rentals shall be calculated on the basis of the unit price of rack and the use plan for racks for the next three years. Annual caps of the rack rental are set based on the total value of the right-of-use assets of racks expected to be leased by the Company in each year, which is calculated with reference to the total annual rentals of racks leased by the Company each year throughout the lease term, and based on discount of the Company's incremental borrowing rate. In addition, annual caps of the rack rental will provide adequate buffer for the rising usage rate of the racks due to the expected growth of the business of the Company in the future.

The annual caps of additional charges are determined with consideration of the possible requirement for overloaded operation during the lease term.

4. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Jiaxing Data Centre has been used for remote system backups and customer services by members of the Group, such as the Company's departments, subsidiaries, etc. It is in the interests of the Company to lease and use Jiaxing Data Centre for satisfying the needs of the Company's critical information infrastructure disaster recovery technology upgrade project based on hybrid architecture due to its location and size being able to satisfy the needs of the Company.

The Directors (including the independent non-executive Directors) are of the view that the transactions under the Data Centre Tenancy Contract are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. IMPLICATIONS UNDER THE LISTING RULES

CTHCL is a promoter and a substantial Shareholder of the Company which holds approximately 29.29% of the issued share capital of the Company as at the date of this announcement. CTCD is a wholly-owned subsidiary of CTHCL and thus a connected person of the Company. As such, the transactions contemplated under the Data Centre Tenancy Contract constitute continuing connected transactions of the Company under the Listing Rules.

Since the highest applicable percentage ratio calculated with reference to the annual caps of rack rental under the Data Centre Tenancy Contract exceeds 0.1% but is less than 5%, such transactions are subject to the reporting, annual review and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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Mr. Huang Rongshun, the executive Director of the Company, being a director of CTHCL, has abstained from voting on the Board resolution to approve the transactions under the Data Centre Tenancy Contract. Except for the above, none of the Directors has a material interest in the transactions contemplated under the Data Centre Tenancy Contract and none of them has abstained from voting on the relevant Board resolution.

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

Information on CTCD

CTCD is principally engaged in real estate and data center development and management, data processing and storage services. As at the date of this announcement, CTCD is a wholly-owned subsidiary of CTHCL.

Information on CTHCL

CTHCL is a wholly PRC state-owned enterprise. As at the date of this announcement, it is a substantial Shareholder of the Company and holds approximately 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.

7. DEFINITIONS

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

“A”	Ampere, the base unit of electric current
“Board”	the board of Directors
“CASBE”	China Accounting Standards for Business Enterprises (中國企業會計準則)
“Company”	TravelSky Technology Limited, a company incorporated under the laws of the PRC whose H 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
“CTCD”	China TravelSky Cloud Data Company Limited* (中航信雲數據有限公司), a company incorporated under the laws of the PRC with limited liability
“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
“Data Centre Tenancy Contract”	the data centre tenancy contract on a disaster recovery project of TravelSky entered into between the Company and CTCD on 1 September 2022, pursuant to which CTCD has agreed to lease racks in server rooms of the Jiaying Data Centre to the Company
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region
“Jiaxing Data Centre”	the data centre of CTCD located at 1177 Yatai Road, Nanhu District, Jiaxing, Zhejiang, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“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
“%”	per cent

* *for identification purposes only*

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.15178 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount have been, could have been or may be exchanged.

By order of the Board
TravelSky Technology Limited
Huang Rongshun
Chairman

Beijing, the PRC
1 September 2022

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

Executive Directors: Mr. Huang Rongshun (Chairman), Mr. Xiao Yinhong and Mr. Liu Jianping;

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

Independent non-executive Directors: Mr. Liu Zehong, Mr. Chan Wing Tak Kevin and Mr. Xu Hongzhi.