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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 TRANSACTION SHANGHAI TENANCY AGREEMENT

The Board announces that on 16 December 2015 the Company (as tenant) and CTHC (as lessor) entered into the Shanghai Tenancy Agreement pursuant to which CTHC has agreed to lease the Shanghai Property to the Company for a term of three years ending 31 December 2018.

CTHC is a promoter and a substantial shareholder of the Company which holds 29.29% of the issued share capital of the Company as at the date of this announcement and thus a connected person of the Company. As such, the transaction contemplated under the Shanghai Tenancy Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

Since the highest applicable percentage ratio (as defined under Rule 14A.06 of the Listing Rules) calculated with reference to the Annual Caps under the Shanghai Tenancy Agreement and the annual caps under the Beijing Tenancy Agreement on an aggregate basis exceeds 0.1% but is less than 5%, the transaction contemplated under the Shanghai Tenancy Agreement is subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 27 December 2012 in relation to, among other things, the Old Tenancy Agreement. The Old Tenancy Agreement will expire on 31 December 2015. On 16 December 2015, the Company and CTHC entered into the Shanghai Tenancy Agreement pursuant to which CTHC has agreed to continue to lease the Shanghai Property to the Company for a term of three years ending 31 December 2018.

SHANGHAI TENANCY AGREEMENT

Details of the Shanghai Tenancy Agreement are set out below:

- Date:** 16 December 2015
- Parties:** (1). CTHC, as lessor; and
(2). the Company, as tenant
- Property:** Part of Building No.5 with a gross floor area of 9,218.83 square metres, 888 Tianlin Road, Minhang District, Shanghai, the PRC
- Term:** Three years from 1 January 2016 to 31 December 2018
- The Company has the right to renew the term by serving a notice to CTHC three months prior to expiry of the term, provided that the then applicable PRC laws allow.
- Usage fees (exclusive of property management fee):** RMB3.90 (equivalent to approximately HK\$4.72) per square metre per day for use of the Shanghai Property of a gross floor area of 9,218.83 square metres.
- If the Company fails to make a due payment of the usage fees without reasonable cause, it should pay an overdue fine of 0.02% of the unsettled amount per day to CTHC.
- The Company will bear the expenses of water, electricity, heating and communication incurred during its usage of Shanghai Property.
- Payment term:** The usage fees shall be paid by money transfer quarterly within 15 days upon receipt of the invoice.
- Other terms:** CTHC has undertaken to indemnify the Company against any loss or damage caused by, or arising from, any challenge to, or interference with, the Company's right to use the Shanghai Property during the term of the Shanghai Tenancy Agreement.

ANNUAL CAPS

The Annual Cap for each of the three years ending 31 December 2018 is RMB13.20 million (equivalent to approximately HK\$15.97 million), representing the approximate aggregate annual usage fees payable by the Company to CTHC under the Shanghai Tenancy Agreement.

The rate of usage fees under the Shanghai Tenancy Agreement was determined by the parties through arm's length negotiation after having taken into account, among other things, the prevailing market rent rates for the Shanghai Property as evaluated by Savills Valuation and Professional Services Limited, an independent valuer engaged by the Company, as at 28 July 2015.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Shanghai Property has been used for development of business by members of the Group, such as the Company's branches, subsidiaries, etc. Shanghai is one of the most prosperous metropolitans in the PRC, and is of strategic importance to the business development of the Group in terms of geographical location. It is in the interests of the Company to continue to lease and use the Shanghai Property 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 transaction under the Shanghai Tenancy Agreement is conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms thereof (including the Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

CTHC is a promoter and a substantial shareholder of the Company which holds 29.29% of the issued share capital of the Company as at the date of this announcement and thus a connected person of the Company. As such, the transaction contemplated under the Shanghai Tenancy Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

Since the highest applicable percentage ratio (as defined under Rule 14A.06 of the Listing Rules) calculated with reference to the Annual Caps under the Shanghai Tenancy Agreement and the annual caps under the Beijing Tenancy Agreement on an aggregate basis exceeds 0.1% but is less than 5%, the transaction contemplated under the Shanghai Tenancy Agreement is subject to the reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Cui Zhixiong, the executive Director of the Company, being senior management personnel of CTHC, has abstained from voting at the Board meeting to approve the transaction under the Shanghai Tenancy Agreement. Except for the above, none of the Directors has a material interest in the transaction contemplated under the Shanghai Tenancy Agreement and none of them has abstained from voting on the relevant Board resolution.

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 CTHC

CTHC 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.

DEFINITIONS

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

“Annual Cap(s)”	the estimated maximum aggregate annual amount of the usage fees payable by the Company to CTHC under the Shanghai Tenancy Agreement for each of the three years ending 31 December 2018
“Beijing Tenancy Agreement”	the tenancy agreement dated 15 October 2015 and entered into between the Company and CTHC, pursuant to which CTHC agreed to lease certain property located in Beijing to the Company for a period of three years from 1 January 2016 to 31 December 2018, details of which were set out in the announcement of the Company dated 15 October 2015
“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
“CTHC”	China TravelSky Holding Company (中國民航信息集團公司)
“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Old Tenancy Agreement”	the tenancy agreement dated 27 December 2012 and entered into between the Company and CTHC in respect of lease of Shanghai Property
“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
“Shanghai Property”	part of Building No.5, 888 Tianlin Road, Minhang District, Shanghai, the PRC with an aggregate gross floor area of approximately 9,218.83 square metres
“Shanghai Tenancy Agreement”	the tenancy agreement entered into between the Company and CTHC in respect of lease of Shanghai Property on 16 December 2015
“Shareholder(s)”	the shareholder(s) of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent

For the purpose of this announcement, unless otherwise indicated, the exchange rate at RMB1 = HK\$1.21 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 order of the Board
TravelSky Technology Limited
Yu Xiaochun
Company Secretary

Beijing, the PRC
16 December 2015

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

Executive Directors: *Mr. Cui Zhixiong 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. Pan Chongyi and
Mr. Zhang Hainan.*