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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:
JIAXING TENANCY AGREEMENTS**

On 29 December 2017, the Company entered into the Jiaxing Server Room Tenancy Agreement with CTCD, pursuant to which CTCD has agreed to lease certain server rooms, spare parts warehouse and office areas of the Jiaxing Property to the Company.

On 29 December 2017, Huadong Data Centre (a subsidiary of the Company) entered into the Jiaxing Office Tenancy Agreement with CTCD, pursuant to which CTCD has agreed to lease certain office areas of the Jiaxing Property to the Company.

On 28 March 2018, the Company entered into the Jiaxing Living Area Tenancy Agreement with CTCD, pursuant to which CTCD has agreed to lease certain living area of the Jiaxing Property to the Company.

On 17 December 2018, the Company entered into the Jiaxing Data Centre Tenancy Agreement with CTCD, pursuant to which CTCD has agreed to lease additional server rooms to the Company, and each of the terms of the leased properties under the Jiaxing Server Room Tenancy Agreement and the Jiaxing Living Area Tenancy Agreement have been extended.

The Group start to rent the Jiaxing Property from CTCD since 2016. The highest applicable percentage ratio of aggregated transactions amounts of rents of the Jiaxing Property during (i) the year 2016 (the Company and Huadong Data Centre start to rent the Jiaxing Property from March 2016 and April 2016 respectively); (ii) the year 2017; and (iii) 1 January 2018 to the date of this announcement, respectively is less than 0.1%, thus the historical transactions of leasing the Jiaxing Property is exempt from the announcement requirement under Chapter 14A of the Listing Rules. After entered into the Jiaxing Data Centre Tenancy Agreement, the highest applicable percentage ratio (as defined under Rule 14A.06 of the Listing Rules) calculated with reference to the Annual Caps under the Jiaxing Tenancy Agreements on an aggregate basis exceeds 0.1% but is less than 5%, the transactions contemplated under the Jiaxing Tenancy Agreements are subject to the announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

1. INTRODUCTION

On 29 December 2017, the Company entered into the Jiaxing Server Room Tenancy Agreement with CTCD, pursuant to which CTCD has agreed to lease certain server rooms, spare parts warehouse and office areas of the Jiaxing Property to the Company.

On 29 December 2017, Huadong Data Centre (a subsidiary of the Company) entered into the Jiaxing Office Tenancy Agreement with CTCD, pursuant to which CTCD has agreed to lease certain office areas of the Jiaxing Property to the Company.

On 28 March 2018, the Company entered into the Jiaxing Living Area Tenancy Agreement with CTCD, pursuant to which CTCD has agreed to lease certain living area of the Jiaxing Property to the Company.

On 17 December 2018, the Company entered into the Jiaxing Data Centre Tenancy Agreement with CTCD, pursuant to which CTCD has agreed to lease additional server rooms to the Company, and each of the terms of the leased properties under the Jiaxing Server Room Tenancy Agreement and the Jiaxing Living Area Tenancy Agreement have been extended.

2. PRINCIPAL TERMS OF THE JIAXING TENANCY AGREEMENTS

(I) Jiaxing Server Room Tenancy Agreement

Date: 29 December 2017

Parties: (1). CTCD, as lessor; and
(2). the Company, as tenant

Property: Server room 2FM1, part of spare parts warehouse and office areas of the Jiaxing Property with a total gross floor area of 1,549 square metres (612 square metres of server rooms, 500 square metres of spare parts warehouse, 437 square metres of office areas), Jiaxing Data Centre, 1177 Yatai Road, Nanhu District, Jiaxing, Zhejiang, the PRC

Term: One year from 1 January 2018 to 31 December 2018

The Company has the right to renew the term by negotiating with CTCD six months prior to expiry of the term.

Rent: RMB16.00 (equivalent to approximately HK\$18.08) per square metre per day for use of the server room 2FM1 of a gross floor area of 612 square metres; RMB4.00 (equivalent to approximately HK\$4.52) per square metre per day for use of the spare parts warehouse of a gross floor area of 500 square metres; RMB1.00 (equivalent to approximately HK\$1.13) per square metre per day for use of the office areas of a gross floor area of 437 square metres, which includes management fees;

If the Company fails to make a due payment of the rent, it should pay an overdue fine of 0.3% of the unsettled amount per day to CTCD.

The Company will bear the expenses of electricity incurred during its usage of the server room and spare parts warehouse, and the expenses of water and electricity incurred during its usage of the office areas.

Payment term: The rent shall be paid by the Company to CTCD in a lump sum within 30 days upon signing of this agreement.

(II) Jiaxing Office Tenancy Agreement

Date: 29 December 2017

Parties: (1). CTCD, as lessor; and
(2). Huadong Data Centre (a subsidiary of the Company), as tenant

Property: Part of office areas of the Jiaxing Property with a gross floor area of 684 square metres, Jiaxing Data Centre, 1177 Yatai Road, Nanhu District, Jiaxing, Zhejiang, the PRC

Term: One year from 1 January 2018 to 31 December 2018

Rent: RMB1.00 (equivalent to approximately HK\$1.13) per square metre per day for use of the office areas of a gross floor area of 684 square metres, which includes management fees;

If Huadong Data Centre fails to make a due payment of the rent, it should pay an overdue fine of 0.5% of the unsettled amount per day to CTCD.

Huadong Data Centre will bear the expenses of water and electricity incurred during its usage of the office areas.

Payment term: The rent shall be paid by Huadong Data Centre to CTCD in two instalments.

(III) Jiaxing Living Area Tenancy Agreement

Date: 28 March 2018

Parties: (1). CTCD, as lessor; and
(2). the Company, as tenant

Property: Four apartments in living area of the Jiaxing Property with a gross floor area of 267 square metres, Jiaxing Data Centre, 1177 Yatai Road, Nanhu District, Jiaxing, Zhejiang, the PRC

Term: one year from 1 April 2018 to 31 March 2019

Rent: RMB9,200.00 (equivalent to approximately HK\$10,396.00) per month for use of the four apartments of a gross floor area of 267 square metres, which includes management fees;

If the Company fails to make a due payment of the rent, it should pay an overdue fine of 0.3% of the unsettled amount per day to CTCD.

The Company will bear the expenses of water and electricity incurred during its usage of the living area.

Payment term: The rent shall be paid by the Company to CTCD in a lump sum within 30 days upon signing of this agreement.

(IV) Jiaxing Data Centre Tenancy Agreement

- Date:** 17 December 2018
- Parties:** (1). CTCD, as lessor; and
(2). the Company, as tenant
- Property:** Server rooms 2FM1 and 2FM4, part of spare parts warehouse and office areas, and four apartments in living area of the Jiaxing Property with a total gross floor area of 2,527 square metres (711 square metres of server room 2FM1, 612 square metres of server room 2FM4, 500 square metres of spare parts warehouse, 437 square metres of office areas, 267 square metres of four apartments in living area), Jiaxing Data Centre, 1177 Yatai Road, Nanhu District, Jiaxing, Zhejiang, the PRC
- Term:** (1) For server room 2FM1, part of spare parts warehouse and office areas: one year from 1 January 2019 to 31 December 2019;
(2) For server room 2FM4: one year from 1 January 2019 to 31 December 2019; and
(3) For four apartments in living area: 9 months from 1 April 2019 to 31 December 2019.
- The Company has the right to renew the term by negotiating with CTCD six months prior to expiry of the term.
- Rent:** (1) RMB20.02 (equivalent to approximately HK\$22.62) per square metre per day for use of the server room 2FM1 of a gross floor area of 711 square metres;
(2) RMB16.72 (equivalent to approximately HK\$18.89) per square metre per day for use of the server room 2FM4 of a gross floor area of 612 square metres;

- (3) RMB4.18 (equivalent to approximately HK\$4.72) per square metre per day for use of the spare parts warehouse of a gross floor area of 500 square metres;
- (4) RMB0.99 (equivalent to approximately HK\$1.12) per square metre per day for use of the office areas of a gross floor area of 437 square metres; and
- (5) RMB1.09 (equivalent to approximately HK\$1.23) per square metre per day for use of the four apartments in living area of a gross floor area of 267 square metres.

All aforementioned rents includes management fees and tax.

If the Company fails to make a due payment of the rent, it should pay an overdue fine of 0.3% of the unsettled amount per day to CTCD.

The Company will bear the expenses of electricity incurred during its usage of the server rooms and spare parts warehouse, and the expenses of water and electricity incurred during its usage of the office areas and four apartments in living area.

Payment term:

The rent shall be paid by the Company to CTCD in three instalments.

3. HISTORICAL TRANSACTION RECORDS

Set out below is a summary of the aggregated amounts of rents of Jiaxing Property for the two years ended 31 December 2017 and the eleven months ended 30 November 2018:

	Year ended 31 December 2016	Year ended 31 December 2017	Eleven months ended 30 November 2018
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
Aggregate amounts of rents of Jiaxing Property	3,563,124 (equivalent to approximately HK\$4,026,330.12)	4,713,245 (equivalent to approximately HK\$5,325,966.85)	4,394,075 (equivalent to approximately HK\$4,965,304.75)

Note: (1) The Group start to rent the Jiaxing Property from CTCD since 2016. The highest applicable percentage ratio of aggregated transactions amounts of rents of the Jiaxing Property during (i) the year 2016 (the Company and Huadong Data Centre start to rent the Jiaxing Property from March 2016 and April 2016 respectively); (ii) the year 2017; and (iii) 1 January 2018 to the date of this announcement, respectively is less than 0.1%, thus the historical transactions of renting the Jiaxing Property is exempt from the announcement requirement under Chapter 14A of the Listing Rules. After entered into the Jiaxing Data Centre Tenancy Agreement, the highest percentage ratio of aggregated annual rents of the Jiaxing Property during the two years from 1 January 2018 to 31 December 2019 is more than 0.1% but less than 5%, therefore the Company publishes this announcement to fulfil the announcement requirement under Chapter 14A of the Listing Rules.

(2) The Company start to rent part of server rooms of the Jiaxing Property since March 2016, Huadong Data Centre start to rent part of office areas of the Jiaxing Property since April 2016, thus the transaction amounts of the year ended 31 December 2016 are only the transaction amounts during the tenancy term.

4. ANNUAL CAPS

Set out below is a summary of the Annual Caps for the two years ending 31 December 2019, representing the approximate aggregate annual rents payable by the Company to CTCD under the Jiaxing Tenancy Agreements:

	Year ending 31 December	
	2018	2019
	<i>(RMB)</i>	<i>(RMB)</i>
Jiaxing Tenancy Agreements	6,000,000 (approximately HK\$6,780,000)	11,000,000 (approximately HK\$12,430,000)

The rate of rents under the Jiaxing Tenancy Agreements 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 Jiaxing Property, and the evaluation results of the level of rent of the Jiaxing Property made by China Alliance Appraisal Co., Ltd., an independent valuer engaged by the Company, as at the valuation benchmark date of 31 March 2018. The Company also considers that Huadong Data Centre proposed to renew the Jiaxing Office Tenancy Agreement for the year 2019 when determining the aforementioned Annual Caps. In addition, for the rate of rents under the Jiaxing Data Centre Tenancy Agreement, the Company considered the historical rate of rents of the server rooms of the Jiaxing Property (CTCD offered first-time lease discounts of the server rooms to the Company for the period March 2016 to 31 December 2018), as well as the increase of rents owing to the improvement of facilities and conditions of the server rooms of the Jiaxing Property. The rents of server room 2FM1 and server room 2FM4 is different under the Jiaxing Data Centre Tenancy Agreement since the delivery conditions of such two server rooms are different.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Jiaxing Property 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 continue to lease and use the Jiaxing 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 transactions under the Jiaxing Tenancy Agreements are 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. CTCD is a subsidiary of CTHC and thus a connected person of the Company. As such, the transactions contemplated under the Jiaxing Tenancy Agreements constitute continuing connected transactions of the Company under the Listing Rules.

The Group start to rent the Jiaxing Property from CTCD since 2016. The highest applicable percentage ratio of aggregated transactions amounts of rents of the Jiaxing Property during (i) the year 2016 (the Company and Huadong Data Centre start to rent the Jiaxing Property from March 2016 and April 2016 respectively); (ii) the year 2017; and (iii) 1 January 2018 to the date of this announcement, respectively is less than 0.1%, thus the historical transactions of leasing the Jiaxing Property is exempt from the announcement requirement under Chapter 14A of the Listing Rules. After entered into the Jiaxing Data Centre Tenancy Agreement, the highest applicable percentage ratio (as defined under Rule 14A.06 of the Listing Rules) calculated with reference to the Annual Caps under the Jiaxing Tenancy Agreements exceeds 0.1% but is less than 5%, thus the transactions

contemplated under the Jiaxing Tenancy Agreements are subject to the announcement and annual review requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Cui Zhixiong and Mr. Xiao Yinhong, the executive Directors of the Company, being directors of CTHC, have abstained from voting on the Board resolution to approve the transactions under the Jiaxing Tenancy Agreements. Except for the above, none of the Directors has a material interest in the transactions contemplated under the Jiaxing Tenancy Agreements 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 the provision of accounting, 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.

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 rents payable by the Group to CTCD under the Jiaxing Tenancy Agreements for each of the two years ending 31 December 2019
“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
“CTCD”	China TravelSky Cloud Data Company Limited (中航信雲數據有限公司), a wholly-owned subsidiary of CTHC

“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
“Huadong Data Centre”	China TravelSky Huadong Data Centre Company Limited (中航信華東數據中心有限責任公司), a subsidiary of the Company
“Jiaxing Data Centre Tenancy Agreement”	the tenancy agreement entered between the Company and CTCD on 17 December 2018, pursuant to which CTCD has agreed to lease server rooms 2FM1 and 2FM4, part of spare parts warehouse and office areas, and four apartments in living area of the Jiaxing Property to the Company;
“Jiaxing Living Area Tenancy Agreement”	the tenancy agreement entered between the Company and CTCD on 28 March 2018, pursuant to which CTCD has agreed to lease four apartments in living area of the Jiaxing Property to the Company;
“Jiaxing Office Tenancy Agreement”	the tenancy agreement entered between Huadong Data Centre (a subsidiary of the Company) and CTCD on 29 December 2017, pursuant to which CTCD has agreed to lease part of office areas of the Jiaxing Property to Huadong Data Centre;
“Jiaxing Property”	server rooms 2FM1 and 2FM4, part of spare parts warehouse and office areas, and four apartments in living area of Jiaxing Data Centre, 1177 Yatai Road, Nanhu District, Jiaxing, Zhejiang, the PRC with an aggregate gross floor area of approximately 2,527 square metres
“Jiaxing Server Room Tenancy Agreement”	the tenancy agreement entered between the Company and CTCD on 29 December 2017, pursuant to which CTCD has agreed to lease server room 2FM1, part of spare parts warehouse and office areas of the Jiaxing Property to the Company;
“Jiaxing Tenancy Agreements”	Jiaxing Data Centre Tenancy Agreement, Jiaxing Living Area Tenancy Agreement, Jiaxing Office Tenancy Agreement and Jiaxing Server Room Tenancy Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“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
“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\$1.13 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
Cui Zhixiong
Chairman

Beijing, the PRC
17 December 2018

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. Tang Bing, and Mr. Han Wensheng;

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