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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
RENEWAL OF THE SERVICE FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 13 December 2022, in relation to (among other things) the Service Framework Agreement entered into by the Company with China Transport Information, pursuant to which China Transport Information has agreed to provide technology development, technical support and operation and maintenance services under the Service Framework Agreement to the Company for a term of one year commencing from 13 December 2022 and ending on 12 December 2023.

The Board agreed that, upon the expiry of the existing term on 12 December 2023, the term of the Service Framework Agreement will be extended for a period commencing from 1 January 2024 and ending on 31 December 2025.

As at the date of this announcement, China Transport Information is a 30%-controlled company of CTHCL, which is a substantial shareholder of the Company. China Transport Information is therefore a connected person of the Company. As such, the transactions contemplated under the Service Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio in respect of the continuing connected transactions under the Service Framework Agreement 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.

I. INTRODUCTION AND BACKGROUND

Reference is made to the announcement of the Company dated 13 December 2022, in relation to (among other matters) the Service Framework Agreement entered into by the Company with China Transport Information, pursuant to which China Transport Information has agreed to provide technology development, technical support and operation and maintenance services under the Service Framework Agreement to the Company for a term of one year commencing from 13 December 2022 and ending on 12 December 2023.

The Board agreed that, upon the expiry of the existing term on 12 December 2023, the term of the Service Framework Agreement will be extended for the period commencing from 1 January 2024 and ending on 31 December 2025.

II. THE SERVICE FRAMEWORK AGREEMENT

1. Principal Terms of the Service Framework Agreement

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|----------|--|
| Date: | 29 December 2023 |
| Parties: | (1) the Company (as the service recipient); and (2) China Transport Information (as the service provider) |
| Term: | Two years commencing from 1 January 2024 and ending on 31 December 2025. |

Scope of services and charges: (1) Technology development services:

If the Company engages the professionals of China Transport Information to provide product development and other services for the Company's customers such as airlines and airports, the Company may pay China Transport Information technology development service fees, and may negotiate and sign the Technology Service Cooperation Agreement for relevant services. The remuneration of labour services is determined with reference to the standard of labour fees formulated by the Company. The price of labour support is formulated with reference to the standard of labour type, personnel level, geographical distribution, standard of labour fees, and labour cost which is determined based on the workload and difficulty of work.

- (2) Technical support and operation and maintenance services:
 - i. If China Transport Information promotes, markets, sells the products of the Company, the Company shall pay fees to China Transport Information. Both parties shall enter into product service and maintenance contracts for specific products at the agreed price. Based on the usage requirements of the products, after fully considering the cost and benefit, and with reference to the market conditions, both parties shall negotiate and confirm separately in writing; and
 - ii. If China Transport Information is entrusted by the Company to provide system operation and maintenance services to the Company or its customers, the Company shall pay fees to China Transport Information. Both parties shall determine the relevant fees through negotiation based on the external revenue, market efficiency, costs and task objectives of the project and with reference to the market conditions, and separately confirm the service standards, fees and payment arrangements in writing.

Charging principles:

- (1) Where the relevant services are regulated by government regulatory authorities, the fees shall be charged in accordance with the charging standards (prescribed prices) prescribed by the government regulatory authorities (e.g. CAAC);
- (2) If there is a recommended guidance price from the government regulatory authorities, both parties shall negotiate and formulate the charging standards with reference to the recommended guidance price;

- (3) If the government regulatory authorities do not have a prescribed price or guidance price, or the government prescribed price or guidance price is cancelled or no longer applicable, both parties shall manually calculate the fees for technology development, technical support and operation and maintenance services on the basis of not higher than the market price (if any, the customized products or services provided by China Transport Information to the Company shall have no market price for similar products or services) or the original government-prescribed price or guidance price with reference to the Internal Contract Management Regulations of TravelSky Technology Limited (《中國民航信息網絡股份有限公司內部合約管理規範》). The labour cost standard shall be calculated according to the internal contract labour cost standard of the Company for the year. According to the current Internal Contract Labour Cost Standard of TravelSky Technology Limited for 2022 (《中國民航信息網絡股份有限公司2022年內部合約人工費用標準》) and with reference to the qualifications and experience of personnel required by the complexity and difficulty of the project, the labour cost per capita is estimated to be between RMB13,374 per month and RMB36,000 per month. The Company and China Transport Information may negotiate to adjust the labour cost standard by 5%-10% depending on the difficulties of the project. If a third-party customer is willing to pay the implementation or operation and maintenance expenses separately due to market reasons, the labour standard can be referred to the agreement between the Company and the third-party customer, or the above internal contract labour standard; and

- (4) If China Transport Information is deemed as a connected person of the Company under the Listing Rules, all terms of transactions hereunder must be on a “normal commercial terms” basis (as defined under the Listing Rules) and no less favorable to the Company than terms available to or from independent third parties.

Payment terms:

- (1) Both parties may enter into separate specific agreements (“**the Sub-agreements**”) in accordance with the above “Scope of services and charges” and “Charging principles” and implement the payment terms in the Sub-agreements.
- (2) If both parties do not enter into a Sub-agreement:
 - i. The payee shall issue the bill to the payer within 5 working days after the end of each settlement cycle (monthly, quarterly and annual) as agreed by both parties. The payer shall make the payment within 10 working days after receiving the bill unless either party disagrees.
 - ii. For system installation and debugging projects, the corresponding fees shall be paid according to the completion progress and acceptance results of the projects.

2. Actual Transaction Value

The annual cap for the transactions under the Service Framework Agreement for the term of one year commencing from 13 December 2022 and ending on 12 December 2023 is RMB35,000,000. The unaudited actual transaction value under the Service Framework Agreement for the same period is RMB22,922,000.

The Directors have been continuously monitoring the transaction amount under the Service Framework Agreement. As at the date of this announcement, the annual cap for the continuing connected transactions under the Service Framework Agreement has not been exceeded.

III. PROPOSED ANNUAL CAPS AND BASIS OF DETERMINATION OF THE PROPOSED ANNUAL CAPS

1. Proposed annual caps

| | For the year ending 31 December 2024 <i>(in RMB)</i> | For the year ending 31 December 2025 <i>(in RMB)</i> |
|----------------------|---|---|
| Proposed annual caps | 13,000,000 | 13,000,000 |

2. Basis of determination of the proposed annual caps

The proposed caps for the transactions under the Service Framework Agreement are estimated based on the historical transaction amounts and the cooperation and contract signing plans in 2023 and 2024 between the Group and China Transport Information and the Company's expected market business growth in the future. It has also taken into account the possibility of the company to increase the marketing and distribution of its product and business in the future, the development requirements of passenger interline transportation, as well as the plan of the two parties to launch a pilot interline passenger transportation and the possibility of cooperation of both parties in road-air intermodal transportation, information resource sharing, smart travel, comprehensive transportation information service platform and other projects.

IV. REASONS FOR AND BENEFITS OF THE TRANSACTION

China Transport Information, as the official technical support unit of highway and waterway informationisation of the Ministry of Transport, has undertaken many national, regional or industrial large-scale system platform construction projects, such as national road passenger transportation networking service platform, national waterway passenger transportation networking service platform, road passenger transportation e-ticket system, epidemic screening work for national highway and waterway passenger transportation, etc., with extensive experience in large-scale projects and strong technical development teams. The technical support service provided by China Transport Information is expected to reduce the external procurement cost of the Company, and China Transport Information can provide similar technical services to the Company at a price not higher than the market price.

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

V. LISTING RULES IMPLICATIONS

As at the date of this announcement, China Transport Information is a 30%-controlled company of CTHCL, which is a substantial shareholder of the Company. China Transport Information is therefore a connected person of the Company. As such, the transactions contemplated under the Service Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio calculated in respect of the continuing connected transactions under the Service Framework Agreement 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.

Mr. Huang Rongshun, an executive Director of the Company and a director of CTHCL, has abstained from voting on the Board resolution approving the transactions under the Service Framework Agreement. Save as stated above, none of the Directors has a material interest in the transactions contemplated under the Service Framework Agreement and none of them has abstained from voting on the relevant Board resolution.

VI. 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 China Transport Information

China Transport Information is a company incorporated under the laws of the PRC with limited liability, mainly engaged in the construction and operation of the national road passenger network ticketing platform and waterway passenger network ticketing service, providing a full range of information services for passenger travel. Its main businesses include road passenger network ticketing information service, waterway passenger network ticketing information service, airport bus ticketing service, commuter bus service, products related to airport bus service, passenger intermodal transportation products and services as well as other passenger travel related products. As at the date of this announcement, China Transport Information is owned as to 65% by China Transport Telecommunication Information Group Co., Ltd. (交通運輸通信信息集團有限公司) and as to 35% by CTHCL.

Information on China Transport Telecommunication Information Group Co., Ltd.

China Transport Telecommunication Information Group Co., Ltd. is a company incorporated under the laws of the PRC with limited liability and is mainly engaged in satellite mobile communication business and satellite fixed communication business (nationwide) in the Type 1 basic telecommunications businesses; domestic Very Small Aperture Terminal (VSAT) communications business (nationwide), Internet data center business (excluding Internet resource collaboration services) (with server rooms located in Beijing and Shanghai), Internet access service business (Beijing and Shanghai), information service business (excluding Internet information services) (nationwide); technology development, technology transfer, technology consultation and technology services; sales of telecommunication equipment; application software services; basic software services; and maintenance of instruments and meters. As at the date of this announcement, China Transport Telecommunication Information Group Co., Ltd. is 100% owned by China Transport Telecommunications and Information Center (中國交通通信信息中心), a unit under the Ministry of Transport of the PRC.

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 29.55% 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.

VII. DEFINITIONS

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

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|-------------------------------|---|
| “30%-controlled company” | has the same meaning ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “CAAC” | Civil Aviation Administration of China |
| “China Transport Information” | China Transport Information Co., Ltd.* (中交信有限責任公司), a company incorporated under the laws of the PRC with limited liability |
| “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(s)” | has the same meaning 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 |
| “PRC” | the People’s Republic of China |
| “RMB” | Renminbi, the lawful currency of the PRC |

| | |
|-------------------------------|---|
| “Service Framework Agreement” | the service framework agreement entered into on the date of 13 December 2022, and renewed on the date of 29 December 2023, between the Company and China Transport Information in relation to the provision of technology development, technical support and operation and maintenance services by China Transport Information to the Company |
| “Shareholder(s)” | the shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary(ies)” | has the same meaning ascribed to it under the Listing Rules |
| “substantial shareholder” | has the same meaning as ascribed to it under the Listing Rules |
| “%” | per cent |

* *for identification purposes only*

By order of the Board
TravelSky Technology Limited
Huang Rongshun
Chairman

Beijing, the People’s Republic of China
29 December 2023

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

| | |
|---|--|
| <i>Executive Director:</i> | <i>Mr. Huang Rongshun (Chairman);</i> |
| <i>Non-executive Directors:</i> | <i>Mr. Zhao Xiaohang, Mr. Xi Sheng and Mr. Luo Laijun;</i> |
| <i>Independent non-executive Directors:</i> | <i>Mr. Liu Zehong, Mr. Chan Wing Tak Kevin and Mr. Xu Hongzhi.</i> |