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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)

CONNECTED TRANSACTIONS TENANCY AGREEMENTS

The Board announces that on 14 October 2024, the Company (as tenant) and CTHCL (as lessor) entered into the Beijing Tenancy Agreement and the Shanghai Tenancy Agreement, pursuant to which CTHCL has agreed to lease the Beijing Property and the Shanghai Property respectively to the Company for a term of three years ending 31 December 2027.

Pursuant to CASBE, Beijing Property and Shanghai Property leased under the Tenancy Agreements will be recognised as right-of-use assets, in which the amount of approximately RMB63,990,266.81 for recognising the Beijing Property as right-of-use assets pursuant to the Beijing Tenancy Agreement and the amount of approximately RMB40,887,120.41 for recognising the Shanghai Property as right-of-use assets pursuant to the Shanghai Tenancy Agreement. Shareholders should note that the above figures are unaudited and may be subject to adjustment in the future. The right-of-use asset represents its right to use the underlying leased asset over the lease term and the lease liability represents its obligation to make lease payments (i.e. the rent). The asset and the liability arising from the lease are initially measured on present value basis and calculated by discounting the non-cancellable lease payments under the Tenancy Agreements, using the incremental borrowing rate as the discount rate. Under CASBE and in the consolidated income statement of the Group, the Group shall recognise (i) depreciation charge over the life of the right-of-use asset, and (ii) interest expenses amortised from the lease liability over the lease term.

CTHCL is a promoter and a substantial Shareholder of the Company which holds approximately 29.55% 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 transactions contemplated under the Tenancy Agreements constitute connected transactions of the Company under the Listing Rules.

Since the highest applicable Percentage Ratio calculated with reference to the value of the right-of-use assets to be recognised by the Company in connection with the Beijing Tenancy Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the Beijing Tenancy Agreement is subject to the announcement 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 value of the right-of-use assets to be recognised by the Company in connection with the Shanghai Tenancy Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the Shanghai Tenancy Agreement is subject to the announcement but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

TENANCY AGREEMENTS

Reference is made to the announcement of the Company dated 24 December 2021 in relation to, among other things, the Original Beijing Tenancy Agreement and the Original Shanghai Tenancy Agreement which will expire on 31 December 2024.

On 14 October 2024, the Company and CTHCL entered into the Beijing Tenancy Agreement and the Shanghai Tenancy Agreement, pursuant to which CTHCL has agreed to continue to lease the Beijing Property and the Shanghai Property respectively to the Company for a term of three years ending 31 December 2027.

Details of the Tenancy Agreements are set out below:

A. Beijing Tenancy Agreement

Date:	14 October 2024
Parties:	(1) CTHCL, as lessor; and (2) the Company, as tenant
Property:	floor 3 to floor 5 of an office building with an aggregate gross floor area of 8,565.54 square meters situated at No. 157 Dongsì Western Street, Dongcheng District, Beijing, the PRC
Term:	three years from 1 January 2025 to 31 December 2027

The Company has the right to renew the term by submitting a written application to CTHCL three months prior to expiry of the term, and both parties will enter into a separate agreement.

The Company may terminate all or part of the Beijing Tenancy Agreement in advance over the lease period, but CTHCL shall be notified in writing no less than three months in advance. Neither party shall be liable for breach of contract.

Usage fees (exclusive of property management fee):

1. For the floor 3 of Beijing Property:
RMB7.47 (tax inclusive) per square meter per day for use of a gross floor area of 2,771.14 square meters.
2. For the floor 4 of Beijing Property:
RMB7.61 (tax inclusive) per square meter per day for use of a gross floor area of 2,839.07 square meters.
3. For the floor 5 of Beijing Property:
RMB7.59 (tax inclusive) per square meter per day for use of a gross floor area of 2,956.33 square meters.

The total rent for the three years ending 31 December 2027 under the Beijing Tenancy Agreement amounted to RMB67,519,038.20 (tax exclusive), which was determined by the parties through arm's length negotiation after having taken into account, among other things, the historical rent paid by the Company and the prevailing market rent rates for the Beijing Property as inquired by an independent valuer.

In addition, the Company shall pay value added tax at a rate of 5% for rent.

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 CTHCL.

The Company will bear the expenses of water, electricity, heating and communication incurred during its usage of Beijing Property.

Payment term:

The usage fees shall be paid by bank deposit transfer semi-annually within 15 business days upon receipt of the invoice.

Other terms: CTHCL 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 Beijing Property during the term of the Beijing Tenancy Agreement.

B. Shanghai Tenancy Agreement

Date: 14 October 2024

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

Property: floor 1 to floor 4 of Building No. 5 with a gross floor area of 9,218.83 square meters, No. 888 Tianlin Road, Minhang District, Shanghai, the PRC

Term: three years from 1 January 2025 to 31 December 2027

The Company has the right to renew the term by submitting a written application to CTHCL three months prior to expiry of the term, and both parties will enter into a separate agreement.

Usage fees:

1. For the floor 1 of Shanghai Property, RMB4.46 (tax inclusive) per square meter per day for use of a gross floor area of 2,263.11 square meters.
2. For the floor 2 of Shanghai Property, RMB4.56 (tax inclusive) per square meter per day for use of a gross floor area of 2,290.64 square meters.
3. For the floor 3 of Shanghai Property, RMB4.60 (tax inclusive) per square meter per day for use of a gross floor area of 2,332.54 square meters.
4. For the floor 4 of Shanghai Property, RMB4.33 (tax inclusive) per square meter per day for use of a gross floor area of 2,332.54 square meters.

The total rent for the three years ending 31 December 2027 under the Shanghai Tenancy Agreement amounted to RMB43,141,301.40 (tax exclusive), which was determined by the parties through arm's length negotiation after having taken into account, among other things, the historical rent paid by the Company and the prevailing market rent rates for the Shanghai Property as inquired by an independent valuer.

In addition, the Company shall pay value added tax at a rate of 5% for rent.

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 CTHCL.

The Company will bear the expenses of property management, water, electricity, heating and communication incurred during its usage of Shanghai Property.

Payment term: The usage fees shall be paid by bank deposit transfer semi-annually within 15 business days upon receipt of the invoice.

Other terms: CTHCL 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.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Beijing Property has been used as an important and large-scale data center of the Company since year 2000. It is in the best interests of the Company to continue to lease and use the Beijing Property located in the urban center of Beijing as machinery room and office area to ensure stable operation and development of the Company.

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 best 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 transactions under the Tenancy Agreements 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.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to CASBE, Beijing Property and Shanghai Property leased under the Tenancy Agreements will be recognised as right-of-use assets, in which the amount of approximately RMB63,990,266.81 for recognising the Beijing Property as right-of-use assets pursuant to the Beijing Tenancy Agreement and the amount of approximately RMB40,887,120.41 for recognising the Shanghai Property as right-of-use assets pursuant to the Shanghai Tenancy Agreement. Shareholders should note that the above figures are unaudited and may be subject to adjustment in the future. The right-of-use asset represents its right to use the underlying leased asset over the lease term and the lease liability represents its obligation to make lease payments (i.e. the rent). The asset and the liability arising from the lease are initially measured on present value basis and calculated by discounting the non-cancellable lease payments under the Tenancy Agreements, using the incremental borrowing rate as the discount rate. Under CASBE and in the consolidated income statement of the Group, the Group shall recognise (i) depreciation charge over the life of the right-of-use asset, and (ii) interest expenses amortised from the lease liability over the lease term.

CTHCL is a promoter and a substantial Shareholder of the Company which holds approximately 29.55% 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 transactions contemplated under the Tenancy Agreements constitute connected transactions of the Company under the Listing Rules.

Since the highest applicable Percentage Ratio calculated with reference to the value of the right-of-use assets to be recognised by the Company in connection with the Beijing Tenancy Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the Beijing Tenancy Agreement is subject to the announcement 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 value of the right-of-use assets to be recognised by the Company in connection with the Shanghai Tenancy Agreement exceeds 0.1% but is less than 5%, the transaction contemplated under the Shanghai Tenancy Agreement is subject to the announcement but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

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

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 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.

DEFINITIONS

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

“Beijing Property”	floor 3 to floor 5 of an office building with an aggregate gross floor area of 8,566.54 square meters situated at No. 157 Dongsì Western Street, Dongcheng District, Beijing, the PRC
“Beijing Tenancy Agreement”	the tenancy agreement entered into between the Company and CTHCL in respect of lease of Beijing Property on 14 October 2024
“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
“CTHCL”	China TravelSky Holding Company Limited* (中國民航信息集團有限公司)
“Directors”	the directors 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
“Original Beijing Tenancy Agreement”	the tenancy agreement dated 24 December 2021 and entered into between the Company and CTHCL in respect of lease of certain property located in Beijing
“Original Shanghai Tenancy Agreement”	the tenancy agreement dated 24 December 2021 and entered into between the Company and CTHCL in respect of lease of certain property located in Shanghai
“Percentage Ratio(s)”	the percentage ratio(s) described under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Property”	floor 1 to floor 4 of Building No. 5 with an aggregate gross floor area of approximately 9,218.83 square meters, 888 Tianlin Road, Minhang District, Shanghai, the PRC
“Shanghai Tenancy Agreement”	the tenancy agreement entered into between the Company and CTHCL in respect of lease of Shanghai Property on 14 October 2024
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Tenancy Agreements”	the Beijing Tenancy Agreement and the Shanghai Tenancy Agreement

“0%” per cent

* *for identification purposes only*

By the order of the Board
TravelSky Technology Limited
Huang Rongshun
Chairman

Beijing, PRC
14 October 2024

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

Executive Directors: Mr. Huang Rongshun (Chairman);

Non-executive Directors: Mr. Sun Yuquan, Mr. Qu Guangji, and Mr. Xi Sheng;

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