MAJOR EVENTS IN 2001

January

InfoSky Technology Co., Ltd., a Sino-foreign joint venture engaged in air cargo business and jointly established by the Company and a subsidiary of SITA, commenced operation.

TravelSky Technology (Hong Kong) Limited was established to provide customers with better services in Hong Kong and Macau.

February

A public offering of 310,854,000 H shares was made and such shares were successfully listed on The Stock Exchange of Hong Kong Limited.

A subsidiary was set up in Hanzhou, Zhejiang Province to provide better services for customers in the province and its peripheral areas.

April

Announcement of the annual results of the Company for 2000.

Change of General Manager was approved at a provisional board of directors meeting of the Company. The resignation of Mr. Yang Jun from the position of General Manager was accepted and Mr. Zhu Yong was appointed as the new General Manager.

May

The Annual General Meeting of the Company for 2000 was held, at which the resignation of Mr. Liu Chunchi from the position of Director was accepted and Mr. Zhu Yong was elected as an Executive Director.

June

An ASP service agreement was entered into between the Company and Foreign Enterprise Air Services Corporation, Beijing, representing the commencement of the provision of ASP services for customers.

July

A subsidiary was set up in Beijing to provide better services for customers in Beijing and its peripheral areas.

August

Successful protection of the Company's information system from the invasion of the "Red Code" virus.

Announcement of the interim results of the Company for 2001.

September

The ETD system's information processing capacity increased by 60 per cent. due to the successful commencement of operation of the new ETD mainframe system.

Civil Aviation Cares of Xiamen Ltd. was officially established to provide customers with better services in Xiamen and its peripheral areas.

October

The Company was selected as one of the 200 best small-scale enterprises in the world for the year by Fortune, an international financial magazine.

Electronic ticketing technology of the Company was firstly implemented by Shenzhen Airlines, providing air travel consumers with "paperless travel".

A subsidiary was set up in Lanzhou, Gansu Province to provide customers with better services in the province and its peripheral areas.

November

Agreement for the Provision of Information Technology Professional Services was entered into between the Company and Cathay Pacific Airways Ltd. in Beijing. Pursuant to the agreement, the Company would provide technological support services for Cathay Pacific Airways Ltd. by leveraging its advantages in the industry and advance technologies.

The processing capacity of information increased by nearly 50 per cent. due to an expansion in the capacity of the APP mainframe system.

December

Agreements on participation in local BSP were entered into between the Company and IATA in Singapore and Hong Kong, respectively. Pursuant to the agreements, travel agents in Singapore, Hong Kong and Macau can now sell ATB2 neutral tickets through the Company's ETD system.

The Company was designated as a software enterprise.

The principal project of our ETD plan was reviewed and accepted by the State, representing a basic completion of the framework for the new-generation ETD plan.