

The Board of Directors (the “Board”) of TravelSky Technology Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended June 30, 2002 prepared in accordance with International Accounting Standards.

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2002

(Amounts expressed in thousands of Renminbi)

| | Note | June 30, 2002 (unaudited) | December 31, 2001 (audited) |
|--|------|------------------------------|--------------------------------|
| ASSETS | | | |
| Property, plant and equipment, net | 7 | 355,282 | 403,997 |
| Intangible assets, net | | 11,486 | 14,238 |
| Investments in associated companies | | 16,852 | 12,391 |
| Other long-term investment | | 100,000 | 100,000 |
| Other long-term assets | | 3,788 | 8,465 |
| | | <u>487,408</u> | <u>539,091</u> |
| Current assets | | | |
| Inventories | | 1,762 | 2,767 |
| Accounts receivable, net | 8 | 36,438 | 14,837 |
| Due from associated companies | | 6,744 | 598 |
| Due from related parties, net | | 200,793 | 168,536 |
| Prepayments and other current assets | | 39,561 | 15,356 |
| Short-term bank deposit | | 356,742 | 516,186 |
| Cash and cash equivalents | | 1,843,395 | 1,636,818 |
| | | <u>2,485,435</u> | <u>2,355,098</u> |
| Total assets | | <u><u>2,972,843</u></u> | <u><u>2,894,189</u></u> |
| EQUITY AND LIABILITIES | | | |
| Capital and Reserves | | | |
| Paid in capital | | 888,158 | 888,158 |
| Capital surplus | | 1,114,808 | 1,114,808 |
| Surplus reserves | 5 | 172,941 | 100,058 |
| Retained earnings | | 334,274 | 333,045 |
| | | <u>2,510,181</u> | <u>2,436,069</u> |
| Minority interests | | <u>30,886</u> | <u>30,613</u> |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 9 | 189,844 | 167,092 |
| Due to related parties | | 24,513 | 38,447 |
| Dividends payable | | 114,332 | 124,051 |
| Taxes payable | | 99,046 | 94,523 |
| Deferred revenue | | 4,041 | 3,394 |
| | | <u>431,776</u> | <u>427,507</u> |
| Total equity and liabilities | | <u><u>2,972,843</u></u> | <u><u>2,894,189</u></u> |
| Net current assets | | <u><u>2,053,659</u></u> | <u><u>1,927,591</u></u> |
| Total assets less current liabilities | | <u><u>2,541,067</u></u> | <u><u>2,466,682</u></u> |