

The Board of Directors (the “Board”) of TravelSky Technology Limited (the “Company”) hereby announces the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended June 30, 2003 prepared in accordance with International Financial Reporting Standards.

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2003

(Amounts expressed in thousands of Renminbi)

	Note	June 30, 2003 (unaudited)	December 31, 2002 (audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment, net	7	327,608	340,632
Intangible assets, net		7,488	9,098
Investments in associated companies		27,930	23,646
Other long-term investment		100,000	100,000
Other long-term assets		5,291	5,746
		<u>468,317</u>	<u>479,122</u>
Current assets			
Inventories		6,159	2,018
Accounts receivable, net	8	8,668	4,447
Due from associated companies		10,641	377
Due from related parties, net		151,992	135,371
Prepayments and other current assets		216,898	30,826
Short-term investments		2,000	2,195
Short-term bank deposits		190,234	539,491
Cash and cash equivalents		2,124,201	1,893,422
		<u>2,710,793</u>	<u>2,608,147</u>
Total assets		<u>3,179,110</u>	<u>3,087,269</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Paid in capital		888,158	888,158
Reserves	5	1,538,656	1,453,674
Retained earnings		344,270	464,191
		<u>2,771,084</u>	<u>2,806,023</u>
Minority interests		<u>37,874</u>	<u>37,600</u>
Current liabilities			
Accounts payable and accrued liabilities	9	245,432	193,044
Due to related parties		14,106	22,906
Dividends payable		105,799	14,342
Taxes payable		3,728	13,140
Deferred revenue		1,087	214
		<u>370,152</u>	<u>243,646</u>
Total equity and liabilities		<u>3,179,110</u>	<u>3,087,269</u>
Net current assets		<u>2,340,641</u>	<u>2,364,501</u>
Total assets less current liabilities		<u>2,808,958</u>	<u>2,843,623</u>