

CONTENTS

Corporate Profile	1
Financial Highlights	2
Chairman's Statement	4
Business Review	6
Financial Review	11
Corporate Governance Report	16
Report of Directors	26
Report of the Supervisory Committee	37
Report of International Auditors	38
Consolidated Income Statement	39
Consolidated Balance Sheet	40
Balance Sheet	41
Consolidated Statement of Changes in Shareholders' Equity	42
Consolidated Statement of Cash Flows	43
Notes to the Consolidated Financial Statements	44
Supplementary Financial Information Provided by the Management	88
Corporate Information	90
Biographies of Directors, Supervisors, Company Secretary and Senior Management	95
Notice of Annual General Meeting	102

TravelSky Technology Limited (the “Company,” or including its subsidiaries, the “Group”) is the dominant provider of information technology solutions for China’s aviation and travel industry. The Group has been devoted to developing leading products and services that satisfy the needs of all the industry participants - ranging from commercial airlines, airports and air travel products and services suppliers to travel agencies, corporate clients, travelers and cargo shippers - to conduct electronic transactions and manage the demand for travel-related information. The core businesses of the Company include aviation information technology service, distribution of information technology service, etc..

The Company was incorporated in the People’s Republic of China (the “PRC” or “China”) on October 18, 2000 and has a controlling equity interest in TravelSky Technology (Hong Kong) Limited, Hainan Civil Aviation Cares Co., Ltd., Cares Shenzhen Co., Ltd., Cares Hubei Co., Ltd., Cares Chongqing Information Technology Co., Ltd., Aviation Cares of Yunnan Information Co., Ltd., Civil Aviation Cares of Xiamen Ltd., Civil Aviation Cares of Qingdao Ltd., Civil Aviation Cares of Xi’an Ltd., Civil Aviation Cares Technology of Xinjiang Ltd. and InfoSky Technology Co., Ltd.. The Company also holds a significant equity interest in each of the following associated companies: Shanghai Civil Aviation East China Cares System Integration Co., Ltd., Shenyang Civil Aviation Cares of Northeast China, Ltd., Aviation Cares of Southwest Chengdu, Ltd., Heilongjiang TravelSky Airport Technology Limited, Yunnan TravelSky Airport Technology Limited, Shanghai Dongmei Aviation Tourism Online Co., Ltd and Dalian Travelsky Airport Technology Limited.

The Group had 2,089 employees as at December 31, 2005.

The H shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on February 7, 2001. The current largest shareholder of the Company is China TravelSky Holding Company (“CTHC”), which holds an equity interest of approximately 22.3% in the Company. A total of approximately 42.7% of the equity interest in the Company is held by 14 Chinese commercial airlines, including the holding companies of the three largest Chinese commercial airlines, namely, China Southern Air Holding Company, China Eastern Air Holding Company and China National Aviation Holding Company. The remaining 35.0% of the equity interest in the Company is held by holders of its H shares.

The Company established a Sponsored Level I American Depositary Receipt Programme. American depository shares under the programme commenced trading on the U.S. over-the-counter market on December 27, 2002.