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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: 0696)

**PROPOSED CHANGE OF DIRECTOR,
GENERAL PLAN OF THE CONSTRUCTION OF
NEW OPERATING CENTRE IN BEIJING,
PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
AND
NOTICES OF AGM AND CLASS MEETINGS**

A letter from the Board is set out on pages 4 to 13 of this circular.

Notices convening the AGM and the Class Meetings to be held at Conference Room, Prime Hotel, 2 Wangfujing Ave., Dongcheng District, Beijing, the PRC at 10:00 a.m. on Tuesday, 5 June 2012 are set out on pages 18 to 27 of this circular. Whether or not you intend to be present at the said meeting(s), you are requested to complete the accompanying forms of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in case of holders of H Shares) or the registered office of the Company at 7 Yu Min Da Street, Houshayu Town, Shunyi District, Beijing 101308, the PRC (in case of holders of Domestic Shares), no later than 24 hours before the time fixed for holding the relevant meeting or any adjournment thereof. Completion and delivery of the forms of proxy will not prevent you from attending, and voting at, the relevant meeting or any adjournment thereof if you so wish.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 10:00 a.m. on Tuesday, 5 June 2012 for the purpose of, among other things, approving the change of Director, the general plan of the Construction Project and the construction and investment budget plan of its Phase I work and the grant of the Issue Mandate and the Repurchase Mandate, the notice of which is set out on pages 18 to 27 of this circular
“Articles”	the articles of association of the Company
“associate(s)”	have the same meaning ascribed to it under Chapters 1 and 19A of the Listing Rules
“Class Meetings”	the class meeting for holders of H Shares to be held immediately after the conclusion of the AGM and the class meeting for holders of Domestic Shares to be held immediately after the conclusion of the said class meeting for holders of H Shares, the respective notices of which are set out on pages 18 to 27 of this circular
“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
“Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Construction Project”	the project in relation to the construction of the Industry Park which will be carried out in phases
“Directors”	the directors of the Company
“Domestic Share(s)”	domestic share(s) of book value of RMB1.00 each in the share capital of the company
“Group”	the Company and its subsidiaries

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	H share(s) of book value of RMB1.00 each in the share capital of the company
“Industry Park”	中國航信高科技產業園區 (TravelSky Technology High Science and Technology Industry Park*), the new headquarters and operating centre of the Company to be built on the Land, details of which are contained in the section headed “General Plan of the Construction of New Operating Centre in Beijing — The Construction Project”
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Board to exercise the power of the Company to allot, issue or otherwise deal with, and to make or grant offers, agreements and options in respect thereof, Shares up to a maximum of 20% of each of the Domestic Shares and H Shares in issue as at the date of passing the relevant resolution at the AGM
“Land”	parcels of State-owned land for construction located at 08, 09, 19 and 21 blocks at Xinchong 19 Street, Shunyi District, Beijing
“Latest Practicable Date”	9 April 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mandatory Provisions”	the Mandatory Provisions for the Articles of Association of the Companies to be Listed Overseas (《到境外上市公司章程必備條款》)
“PRC” or “China”	the People’s Republic of China and, for the purpose of this circular, excludes Hong Kong and the Macau Special Administrative Region

DEFINITIONS

“Registrar”	the Hong Kong branch share registrar of the Company, Hong Kong Registrars Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Repurchase Mandate”	subject to the conditions set out in the proposed resolutions approving the repurchase mandate at the AGM and the Class Meetings, the general mandate to the Board to exercise the power of the Company to repurchase H Shares, the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal value of H Shares in issue in the capital of the Company as at the date of passing of the said resolutions
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
“Share(s)”	shares of book value of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Repurchases
“%”	per cent.

* For identification purpose only

For the purpose of this circular, unless otherwise indicated, the exchange rate at RMB1.00 = HK\$1.23 has been used, where applicable, for the purpose of illustration only and not constitute a representation that any amount have been, could have been or may be exchanged.

LETTER FROM THE BOARD



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: 0696)

Directors:

Xu Qiang (*Chairman*)

Cui Zhixiong

Xiao Yinhong

Wang Quanhua[#]

Luo Chaogeng[#]

Sun Yude[#]

Cheung Yuk Ming^{##}

Zhou Deqiang^{##}

Pan Chongyi^{##}

Registered office in the PRC:

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Houshayu Town, Shunyi District,

Beijing 101308,

the PRC

Principal place of business in Hong Kong:

Room 3606, 36/F.,

China Resources Building,

26 Harbour Road,

Wan Chai,

Hong Kong

[#] *Non-executive Directors*

^{##} *Independent non-executive Directors*

13 April 2012

To the Shareholders

Dear Sir/Madam

**PROPOSED CHANGE OF DIRECTOR,
GENERAL PLAN OF THE CONSTRUCTION OF
NEW OPERATING CENTRE IN BEIJING,
PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
AND
NOTICES OF AGM AND CLASS MEETINGS**

INTRODUCTION

As set out in the Company's announcement dated 28 March 2012, the Board proposed the change of director.

The Board also approved on 28 March 2012 the general plan of the Construction Project and the construction and investment budget plan of its Phase I work. The Board, as advised by the Group's PRC legal adviser, would like to seek Shareholders' approval for, among others, the general plan of the Construction Project and the construction and investment budget plan of its Phase I work at the AGM.

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The Board also proposed that the Issue Mandate and the Repurchase Mandate to be granted to the Board at the AGM.

The purpose of this circular is to provide you with, among other things, details of (i) the proposed change of director; (ii) the Construction Project; (iii) the proposed grant of the Issue Mandate; (iv) the proposed grant of the Repurchase Mandate; and (v) notices of the AGM and the Class Meetings.

PROPOSED CHANGE OF DIRECTOR

As set out in the announcement of the Company dated 28 March 2012, as proposed by China Eastern Air Holding Company, a substantial Shareholder, the Board at the meeting held on 28 March 2012 proposed that Mr. Luo Chaogeng shall cease to be a non-executive Director and the member of the Strategic Committee of the Company and that Mr. Xu Zhao shall be nominated to fill the vacancy of non-executive Director. As far as the Board is aware, Mr. Luo retired in May 2011 for the reason of age, and no longer holds any position in China Eastern Air Holding Company. It has been considered and approved by the Board that a proposal be put forth to the AGM for the termination of the office of Mr. Luo as a non-executive Director, and for the nomination of Mr. Xu as a non-executive Director. If approved by the Shareholders at the AGM, the term of the office of Mr. Xu will commence from the conclusion of the AGM and end on the date of expiry of the term of the 4th session of the Board (which term will expire on 15 March 2013), and the office of Mr. Luo will end with effect from the conclusion of the AGM.

The biographical details of Mr. Xu are as follows:

Mr. Xu Zhao, aged 43, is currently the chief accountant of China Eastern Air Holding Company. Mr. Xu has served as an engineer and an accountant in Dongfeng Motor Group Company Limited (東風汽車公司). He served as a manager in finance department of Shanghai Yanhua High Technology Limited Company (上海延華高科技有限公司) in 2000 and the chief financial officer of Shaanxi Heavy Duty Automobile Co. Limited (陝西重型汽車有限公司) in 2002. Since November 2006, Mr. Xu has served as the chief accountant in China Eastern Air Holding Company. From June 2007 to November 2011, Mr. Xu served as a supervisor of China Eastern Airlines Corporation Limited (a company listed on the Stock Exchange, Stock code: 670). Mr. Xu was nominated as a director of China Eastern Airlines Corporation Limited in November 2011. Such appointment, as at the Latest Practicable Date, is still subject to the approval by the shareholders of China Eastern Airlines Corporation Limited. From September 2009 till now, Mr. Xu was appointed as an independent non-executive director of Yingde Gases Group Company Limited (a company listed on the Stock Exchange, Stock code: 2168). Mr. Xu graduated from Chongqing University, majoring in moulding, and the Chinese University of Hong Kong, majoring in accounting, and holds a master's degree. Mr. Xu is qualified as an engineer and an accountant, and is a certified public accountant in the PRC.

As at the Latest Practicable Date, as far as the Directors are aware, save as disclosed in the above, (i) Mr. Xu has not held any other position with the Company and its subsidiaries; (ii) Mr. Xu has not held any other directorship in the last 3 years in public companies the securities of which are listed on any securities market in Hong Kong or

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overseas; (iii) Mr. Xu has not held any other major appointments and professional qualifications; (iv) Mr. Xu does not have any other relationship with any directors, senior management or substantial or controlling shareholders of the Company; and (v) Mr. Xu does not have, and is not deemed to have, any interest in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Xu will enter into a service contract with the Company after his directorship as a non-executive Director is confirmed. The remuneration of Mr. Xu is determined according to the remuneration policy of the 4th session of the Board, whereby he does not receive any director's fee as a non-executive Director, but those expenses to be incurred in his discharge of duties as a non-executive Director will be borne by the Company and he shall be entitled to the directors' liability insurance taken out by the Company.

Save as disclosed above, the Board is not aware of any other matters in relation to the appointment of Mr. Xu which are required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules and any other matter that needs to be brought to the attention of the Shareholders.

Mr. Luo has confirmed that he has no disagreement with the Board and that there are no other matters in relation to the termination of office that need to be brought to the attention of the Shareholders.

The Board expresses its sincerest gratitude to Mr. Luo for his integrity and diligence during his tenure as a Director, the chairman and member of the Strategic Committee of the Company.

GENERAL PLAN OF THE CONSTRUCTION OF NEW OPERATING CENTRE IN BEIJING

Background

Reference is made to the Company's announcement dated 28 March 2012 which was made pursuant to Rule 13.09 of the Listing Rules.

The Board approved on 28 March 2012 the general plan of the Construction Project and the construction and investment budget plan of its Phase I work. Since the approval of the acquisition of the land use rights of the Land by the Company in 2010, the Company started the preliminary work of the Construction Project. As at the Latest Practicable Date, 北京市順義區經濟和資訊化產業委員會 (Beijing Shunyi District Economic and Information Technology Industry Committee*) has granted the approval for the Construction Project; construction land planning permit (建設用地規劃許可證) and State-owned land certificate (國有土地證) have been obtained; exploration work tender and design work tender processes have been completed; exploration work of Phase I of the Construction Project is completed; the preliminary design plan and budget of the production zone has passed two expert examinations and follow-up improvement work has been completed. The Company is now in the process of applying for a construction work planning permit (建設工程規劃許可證).

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The Construction Project

Further details of the general construction and investment budget plan of the Industry Park as at the Latest Practicable Date are set out below:

Estimated total area:	Approximately 533,000 sq. m., including office area, production area, supporting facilities area and multi-purpose area comprising approximately 18 buildings in total
Construction and management unit:	A wholly-owned subsidiary of the Company
Phase I work:	<ul style="list-style-type: none">• estimated investment amount – RMB3.655 billion (equivalent to approximately HK\$4.496 billion)• estimated commencement date – mid 2012• estimated completion date – end of 2014• consists of the construction of 13 buildings with a total gross floor area of approximately 368,000 sq. m., including a headquarters office building, two research and development centre buildings, two settlement centre buildings, an operating centre building, an engine building, a machinery building, three dormitory buildings, a power and energy building and a cultural and sports centre

Reasons for and Benefits of the Construction Project

The Group is principally engaged in the provision of aviation information technology services in the PRC as well as provision of information system development and support services and accounting, settlement and clearing services to domestic and worldwide airline companies.

The Construction Project is essential to the Group as the existing working area and machinery area of the Group are close to saturation, the Industry Park will be an all-in-one international headquarters base comprising large-scale database centre, transportation and maintenance service, smart office, research and development and backup support. The Board believes that the Industry Park can enhance the technology upgrade of the Group and train high caliber technicians and management personnel and build up a high quality team of high new technology staff so as to strengthen the competitiveness and sustainability of the Group.

All the above will bring positive effects to the Group in the long run.

LETTER FROM THE BOARD

Financial Effects of the Construction Project on the Group

The Construction Project will be funded by internal resources of the Group, and depending on the Group's operational and cash conditions and costs of fund raising, the Group may consider external financing when appropriate. The Board estimates that the Construction Project will not have any material effect on the cash flow and business operation of the Group for 2012.

It is currently estimated that the annual investment amount of the Phase I work of the Construction Project will not exceed 30% of the total asset of the Group of the preceding year.

Shareholders' Approval

The Board, as advised by the Group's PRC legal adviser, would therefore like to seek Shareholders' approval for, among others, the general plan of the Construction Project and the construction and investment budget plan of its Phase I work at the AGM.

Subject to the approval of Shareholders at the AGM, the Board will authorize its executive committee (comprising 3 executive Directors) to handle the relevant execution work in relation to the Phase I work of the Construction Project, including but not limited to making 10% upward or downward adjustment to the total investment amount of the Phase I work after taking into account factors such as economic condition, inflation rate, regulatory requirements and operation status of the Group etc.

As at the Latest Practicable Date, the Company has not entered into any contract in relation to the Construction Project. The Company will (if required) make timely disclosure in respect of the Construction Project in accordance with the applicable laws and regulations (including but not limited to the Listing Rules).

PROPOSED GRANT OF THE ISSUE MANDATE

According to Article 56 of the Articles, Shareholders can, in general meetings of the Company, authorise the Board to carry out the authorised matters.

At the AGM, a special resolution will be proposed that the Board be granted the Issue Mandate to exercise the power of the Company to authorise, allot, issue or otherwise deal with, and to make or grant offers, agreements and options in respect thereof, Shares up to a maximum of 20% of each of the Domestic Shares and H Shares in issue as at the date of passing the relevant resolution at the AGM.

As at the Latest Practicable Date, 2,926,209,589 Shares, comprising 1,993,647,589 Domestic Shares and 932,562,000 H Shares, were in issue. Subject to the passing of the proposed resolution approving the grant of the Issue Mandate to the Board and on the basis that no Share will be issued or repurchased by the Company prior to the AGM, the Board will be allowed under the Issue Mandate to issue a maximum of 398,729,517 Domestic Shares and 186,512,400 H Shares respectively. The Directors believe that it is in the best interests of the Company and the Shareholders to grant the Issue Mandate to the

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Board to issue new Shares. Whilst it is not possible to anticipate in advance any specific circumstances in which the Directors might think it appropriate to issue Shares, the ability to do so would give them the flexibility to capture the opportunity if it so arises.

The Issue Mandate would expire on the earlier of (a) twelve months from the date of passing of the resolution; (b) the conclusion of the next annual general meeting of the Company; or (c) the date on which such authority is revoked or varied by a special resolution of the Shareholders in any general meeting.

PROPOSED GRANT OF THE REPURCHASE MANDATE

Legal and regulatory requirements

The Company Law, the Mandatory Provisions and the Articles provide for certain restrictions on the repurchase of Shares which are applicable to all classes of Shares.

The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purpose of reducing its share capital or in connection with a merger between itself and another entity that holds its shares, or granting incentive shares to its staff and workers, or the shareholders' requesting the company to purchase its own shares where the shareholders oppose the decision on merger or division of the company made at a general meeting of shareholders. The Mandatory Provisions, which the Company has incorporated in the Articles, provide that subject to obtaining the approval of the relevant PRC regulatory authorities and in compliance with the Articles, the Company may repurchase its issued Shares for the purpose of reducing its share capital, or in connection with a merger between itself and another entity that holds its Shares, or in other circumstances permitted by laws or administrative regulations.

Rule 10.06(1)(a) and Rule 19A.25 of the Listing Rules permit the shareholders of a PRC joint stock limited company to grant a general mandate to its directors to repurchase shares of such company that is listed on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by its shareholders in general meeting and by way of special resolutions passed by holders of domestic shares and holders of overseas listed foreign shares at separate class meetings.

The repurchase of H Shares by the Company is subject to the approvals of various PRC governmental authorities, which include SASAC, SAFE and/or (if appropriate) any other regulatory authorities as required by the laws, standards and system of the PRC. The approval of SAFE is required as H Shares are traded on the Stock Exchange in Hong Kong dollars and the price payable by the Company upon any repurchase of H Shares will, therefore, be paid in Hong Kong dollars. The Company has also been advised by its PRC legal advisers that the passing of a special resolution to approve the grant to the Directors of the Repurchase Mandate would constitute a reduction in the registered capital of the Company when such mandate is actually exercised by the Directors.

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In accordance with the requirements of the Articles applicable to capital reduction (as incorporated from the Mandatory Provisions), the Company will have to notify its creditors of the passing of the resolution for the reduction of the registered capital of the Company. According to Article 28 of the Articles, such notification is to be given to the Company's creditors within ten days after the passing of such resolution and also by way of publication on three occasions of a press announcement in the PRC within 30 days after the passing of such special resolution. Creditors of the Company then have a period of up to 30 days after the Company's notification or if no such notification has been received, up to 90 days after the first publication of the aforesaid press announcement to require the Company to repay amounts due to them or to provide guarantees in respect of such amounts. Further, the registered capital of the Company shall not be reduced to an amount lower than the statutory minimum amount.

In addition, the Company Law, the Articles and the Mandatory Provisions provide that the shares repurchased by a company will have to be cancelled and the registered capital of that company will therefore be reduced by an amount equivalent to the aggregate nominal value of the shares so cancelled. In the event of a reduction of registered capital, the company shall inform its creditor(s) by way of written notice and announcement within a prescribed period after the passing of the relevant shareholders' resolutions approving such reduction. The creditors shall be entitled to request the company for repayment of loan and/or provision of guarantee. Penalty will be imposed on a company for any failure to notify the creditors. The statutory notification requirement allows the creditors an opportunity for the recovery and/or security of the debt where a company's registered capital is to be reduced.

The Company has been advised by its PRC legal advisers that subject to the granting of the Repurchase Mandate to the Directors and the obtaining of the above mentioned approvals by the relevant PRC regulatory authorities by the Company, the Company will only be required to give such notification to its creditors in the event that the Directors shall decide to exercise their powers under the Repurchase Mandate and the registered capital of the Company shall be reduced thereby.

In light of the above and provided that other conditions precedent are fulfilled, the Directors will exercise the power to repurchase H Shares after the notification duty is discharged and the possible disputes over debts can be reduced thereby and in compliance with the relevant requirements under the Listing Rules.

Reasons and conditions for the Repurchase Mandate

In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to repurchase any H Shares (including where such repurchase may lead to an enhancement of the net asset value per Share and/or the earnings per Share), approval is proposed to be sought from the Shareholders for the grant of the Repurchase Mandate to the Board. In accordance with the legal and regulatory requirements described above, the AGM and the Class Meetings are proposed to be convened and, at each of such meetings, a special resolution will be proposed to grant to the Board the Repurchase Mandate, i.e. a conditional general mandate to repurchase H Shares in issue on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal

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value of H Shares in issue of the Company as at the date of passing of such special resolution. As at the Latest Practicable Date, the Company had a total of 932,562,000 H Shares in issue. Assuming that the number of H Shares remains unchanged up to the date of the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 93,256,200 H Shares.

The exercise of the Repurchase Mandate will be conditional upon (a) the approvals of SASAC and SAFE (or their respective successor authorities) and/or (if appropriate) any other regulatory authorities as required by the laws, standards and system of the PRC being obtained; and (b) the Company not being required by any of its creditors to repay or to provide guarantees in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure under Article 28 of the Articles. If the Company determines to repay any amount to any of its creditors in circumstances described under condition (b) above, it currently expects to do so out of its internal resources. If the above conditions are not fulfilled, the Repurchase Mandate will not be exercisable by the Directors.

The Repurchase Mandate would expire on the earlier of (a) the conclusion of the next annual general meeting of the Company; or (b) the date on which the authority conferred by the special resolutions is revoked or varied by a special resolution of the Shareholders in a general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares at their respective class meetings.

Listing Rules requirements

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at each of the AGM and the Class Meetings. An explanatory statement for such purpose is set out in the Appendix to this circular.

PROPOSED DISTRIBUTION OF A FINAL CASH DIVIDEND FOR 2011

If the distribution of the proposed final cash dividend (which is RMB0.12 per share (pre-tax)) for the year ended 31 December 2011 is approved by the Shareholders at the AGM, in order to ascertain the entitlements of the Shareholders to receive the proposed final cash dividend, the register of holders of H Shares will be closed from Saturday, 9 June 2012 to Thursday, 14 June 2012 (both days inclusive), during which period no transfer of H Shares will be effected. Holders of H Shares and Domestic Shares whose names appear on the registers of members of the Company on Thursday, 14 June 2012 are entitled to the proposed final cash dividend. Transfers of H Shares must be lodged with the Registrar at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 8 June 2012 in order to entitle the transferee to receive the proposed final cash dividend.

LETTER FROM THE BOARD

AGM AND CLASS MEETINGS

The AGM will be held at Conference Room, Prime Hotel, 2 Wangfujing Ave., Dongcheng District, Beijing, the PRC at 10:00 a.m. on Tuesday, 5 June 2012 to consider and, if thought fit, approve, among other matters, the change of Director, the general plan of the Construction Project and the construction and investment budget plan of its Phase I work and the grant of the Issue Mandate and the Repurchase Mandate. The Class Meeting for holders of H Shares will be held immediately after the conclusion of the AGM and the Class Meeting for holders of Domestic Shares will be held immediately after the conclusion of the Class Meeting for the holders of H Shares, to consider and, if thought fit, approve the grant of the Repurchase Mandate. Notices of the AGM and the Class Meetings are set out on pages 18 to 27 of this circular.

Forms of proxy for use at the AGM and the Class Meetings are enclosed with this circular. Whether or not you intend to be present at such meetings, you are requested to complete the forms of proxy in accordance with the instructions printed thereon and return the same to the Registrar at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in case of holders of H Shares) or the Company's registered office at 7 Yu Min Da Street, Houshayu Town, Shunyi District, Beijing 101308, the PRC (in case of holders of Domestic Shares), no later than 24 hours before the time fixed for holding the relevant meeting or any adjournment thereof. Completion and delivery of the forms of proxy will not prevent you from attending and voting at the relevant meeting or any adjournment thereof if you so wish.

VOTING AT THE AGM AND THE CLASS MEETINGS

Pursuant to Rule 13.39 of the Listing Rules, other than the decision of the chairman of meeting in good faith allowing for the voting by the show of hands in respect of resolutions of a solely procedural or administrative nature, all votes of the Shareholders at the AGM and the Class Meetings must be taken by poll.

RECOMMENDATIONS

The Board considers that the resolutions to approve the change of director, the general plan of the Construction Project and the construction and investment budget plan of its Phase I work and the grant of the Issue Mandate and the Repurchase Mandate are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of such resolutions at the AGM and/or the Class Meetings.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that such repurchases of H Shares will benefit the Company and the Shareholders.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
By order of the Board
TravelSky Technology Limited
Xu Qiang
Chairman

** For identification purpose only*

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide you with requisite information as to the Repurchase Mandate.

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit a PRC issuer listed on the Stock Exchange to repurchase its shares of all classes listed on the Stock Exchange, subject to certain restrictions. Among such restrictions applicable to a PRC issuer, the Listing Rules provide that the shares of such PRC issuer must be fully paid up and all repurchases of shares by such PRC issuer must be approved in advance by a special resolution of shareholders in a general meeting and of holders of domestic shares and holders of overseas listed foreign shares at separate meetings conducted in accordance with such PRC issuer's articles of association for approving share repurchases, either by way of a general mandate or by specific approval of a particular transaction.

REASONS FOR THE REPURCHASE MANDATE

The Directors believe that the flexibility afforded by the Repurchase Mandate would be beneficial to and in the best interest of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at such time, lead to an enhancement of the net asset value and/or earnings per Share. Such repurchases will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders. The Directors have no present intention to exercise the Repurchase Mandate.

REGISTERED CAPITAL

At as the Latest Practicable Date, the registered capital of the Company was RMB2,926,209,589. The total number of the Company's issued Shares was 2,926,209,589, comprising 1,993,647,589 Domestic Shares and 932,562,000 H Shares.

EXERCISE OF THE REPURCHASE MANDATE

Subject to the passing of the special resolution numbered 9 set out in the notice of the AGM and the special resolution numbered 1 set out in the notice of the Class Meetings respectively, the Repurchase Mandate will be conditionally granted to the Directors until the end of the earlier of (i) the conclusion of the next annual general meeting following the passing of the said special resolutions; or (ii) the date on which the authority conferred by the special resolutions is revoked or varied by a special resolution of the Shareholders in any general meeting or by a special resolution of the holders of Domestic Shares or the holders of H Shares at their respective class meetings. The exercise of the Repurchase Mandate is subject to (a) the approvals of SASAC and SAFE (or their respective successor authorities) and/or (if appropriate) any other regulatory authorities as required by the laws, standards and system of the PRC being obtained and (b) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure under Article 28 of the Articles.

The exercise in full of the Repurchase Mandate (on the basis of 932,562,000 H Shares in issue as at the Latest Practicable Date and assuming such number of H Shares would remain unchanged as at the date of the AGM and the Class Meetings) would result in up to 93,256,200 H Shares repurchased by the Company, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolutions.

FUNDING OF REPURCHASES

The Company is empowered by the Articles to repurchase the H Shares. Any repurchases by the Company may only be made out of either the capital paid up on the relevant shares to be repurchased, or the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for such purpose or from sums standing to the credit of the share premium account of the Company.

In repurchasing the H Shares, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles and the applicable laws, rules and regulations of the PRC.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared to the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2011) in the event that the Repurchase Mandate is to be exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regarded to the circumstances then prevailing, in the best interests of the Company.

STATUS OF REPURCHASED H SHARES

The Listing Rules provide that the listing of all the H Shares repurchased by the Company shall automatically be cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws and the Articles, the H Shares repurchased by the Company will be cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

PRICES OF H SHARES

The highest and lowest prices at which the H Shares have been traded on the Stock Exchange in each of the 12 calendar months immediately preceding the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
March	5.08	4.50
April	5.45	4.93
May	5.50	4.60
June	5.13	4.25
July	5.15	4.55
August	4.77	3.61
September	4.40	3.33
October	4.11	3.22
November	4.16	3.67
December	4.18	3.65
2012		
January	4.48	3.98
February	4.48	4.05
March	4.24	3.92
April (up to the Latest Practicable Date)	4.45	4.07

PREVIOUS REPURCHASE

No repurchase of H Shares has been made by the Company for the previous six months (whether on the Stock Exchange or otherwise) immediately preceding the Latest Practicable Date.

THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase H Shares pursuant to the Repurchase Mandate (if approved to be granted at the AGM and the Class Meetings), such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, China TravelSky Holding Company (中國民航信息集團公司), the largest substantial shareholder (as defined in the Listing Rules) and a promoter of the Company, held 857,226,589 Domestic Shares, which represented approximately 29.29% of the total number of Shares in issue.

In the event that the Directors exercise in full the power to repurchase H Shares in accordance with the terms of the Repurchase Mandate, the total interests of China TravelSky Holding Company in the registered capital of the Company would be increased to approximately 30.26%, and this will result in China TravelSky Holding Company and party acting in concert with it obliged to make a mandatory offer under Rule 26 of the Takeovers Code. Save as disclosed above, the Directors are not aware of any other consequences which will arise under either or both of the Takeovers Code and any similar applicable laws as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not make share repurchase on the Stock Exchange if such repurchase would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

The Directors have no intention to exercise the Repurchase Mandate to an extent that it may result in a public shareholding of the H Shares to be less than 25%.

GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws, rules and regulations of the PRC.

None of the Directors and to the best of their knowledge having made all reasonable enquiries, none of their associates presently intend to sell H Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved and the conditions to which the Repurchase Mandate is subject are fulfilled.

The Company has not been notified by any connected person of the Company that they have a present intention to sell any H Shares to the Company, or that they have undertaken not to sell any H Shares held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders and the conditions to which the Repurchase Mandate is subject are fulfilled.

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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: 0696)

NOTICE OF ANNUAL GENERAL MEETING
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NOTICE IS HEREBY GIVEN that the following meetings of TravelSky Technology Limited ("**Company**") shall be held on Tuesday, 5 June 2012 at Conference Room, Prime Hotel, 2 Wangfujing Ave., Dongcheng District, Beijing, the PRC ("**PRC**"):

- (1) the annual general meeting ("**AGM**") will be held at 10:00 a.m.;
- (2) the class meeting for holders of H shares of RMB1.00 each in the capital of the Company ("**H Shares**") will be held immediately after the conclusion of the AGM as stated in (1) above or the adjournment thereof; and
- (3) the class meeting for holders of domestic shares of RMB1.00 each in the capital of the Company ("**Domestic Shares**") will be held immediately after the conclusion of the aforesaid class meeting as stated in (2) above or the adjournment thereof.

These meetings are to be held for the following purposes:

AGM
ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors ("**Board**") of the Company for the year ended 31 December 2011.
2. To consider and approve the report of the Supervisory Committee of the Company for the year ended 31 December 2011.
3. To review the auditor's report for the year ended 31 December 2011 and to consider and approve the audited financial statements of the Group (i.e. the Company and its subsidiaries) for the year ended 31 December 2011.
4. To consider and approve the allocation of profit and distribution of final dividend for the year ended 31 December 2011.

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5. To consider and approve the appointment of Baker Tilly Hong Kong Limited and Baker Tilly China as the international and PRC auditors of the Company, respectively, for the year ending 31 December 2012, and to authorise the Board to fix the remuneration thereof.

Note: The Annual Report of the Company which contains information relating to the above ordinary resolutions numbered 1 to 5 will be dispatched to the shareholders of the Company on or before 20 April 2012.

6. To consider and elect Mr. Xu Zhao as a non-executive director of the 4th session of the Board for the same term as other members of the 4th session of the Board; authorize the Board to determine the remuneration of Mr. Xu according to the remuneration policy of the 4th session of the Board; and enter into a service contract with Mr. Xu; and approve the termination of the office of Mr. Luo Chaogeng as a non-executive director of the Company, with effect from the approval granted at the AGM.
7. To consider and, if thought fit, approve the following resolution as an ordinary resolution:

“THAT:

- (a) the general plan of the Construction Project (as defined in the circular of the Company dated 13 April 2012) and the construction and investment budget plan of its Phase I work with an estimated investment amount of approximately RMB 3.655 billion be and are hereby approved;
- (b) the directors of the Company be and are hereby authorised to handle all the relevant execution work in relation to the Phase I work of the Construction Project as they consider necessary, desirable or expedient, including but not limited to making appropriate adjustments to the general plan of the Construction Project or the construction and investment budget plan of its Phase I work after taking into account factors such as economic condition, inflation rate, regulatory requirements and operation status of the Group etc., provided that the upward or downward adjustment to the total investment amount of the Phase I work shall not be more than 10%.”

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SPECIAL RESOLUTIONS

8. To consider and, if thought fit, approve the following resolution as a special resolution:

“THAT:

- (a) Subject to the limitations imposed by paragraphs (c) and (d) below and in accordance with the Listing Rules, the Company Law of the PRC, and other applicable laws and regulations (in each case as amended from time to time), a general unconditional mandate be and is hereby granted to the Board to exercise once or more during the Relevant Period (as defined in paragraph (e) below) all the powers of the Company to allot, issue or otherwise deal with new shares on such terms and conditions the Board may determine and that, in the exercise of the powers to allot and issue shares, the authority of the Board shall include (without limitation):
 - (i) the determination of the class and number of the shares to be allotted;
 - (ii) the determination of the issue price of the new shares;
 - (iii) the determination of the opening and closing dates of the issue of new shares;
 - (iv) the determination of the class and number of new shares (if any) to be issued to the existing shareholders;
 - (v) to make or grant offers, agreements and options which might require the exercise of such powers; and
 - (vi) in the case of an offer or issue of shares to the shareholders of the Company, excluding shareholders who are residents outside the PRC or the Hong Kong Special Administrative Region of the PRC, on account of prohibitions or requirements under overseas laws or regulations or for some other reasons which the Board considers expedient;
- (b) upon the exercise of the powers granted under paragraph (a), the Board may during the Relevant Period (as defined in paragraph (e) below) make or grant offers, agreements and options which might require the shares relating to the exercise of the authority thereunder being allotted and issued after the expiry of the Relevant Period (as defined in paragraph (e) below);

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- (c) the aggregate nominal amount of the new Domestic Shares and new H Shares to be allotted or conditionally or unconditionally agreed to be allotted (whether pursuant to the exercise of options or otherwise) by the Board pursuant to the authority granted under paragraph (a) above shall not exceed twenty per cent. (20%) of the Domestic Shares and H Shares in issue as at the date of passing of this resolution respectively;
 - (d) the Board in exercising the powers granted under paragraph (a) above shall (i) comply with the Company Law of the PRC, other applicable laws and regulations of the PRC, and the Listing Rules (in each case, as amended from time to time) and (ii) (if required) be subject to the approvals of the China Securities Regulatory Commission and relevant authorities of the PRC;
 - (e) for the purposes of this Resolution: “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) twelve months from the date of passing this resolution;
 - (ii) the conclusion of the next annual general meeting of the Company; or
 - (iii) the date on which the powers granted by this resolution is revoked or varied by a special resolution of the shareholders of the Company in any general meeting; and
 - (f) subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting or agreeing to grant listing of, and permission to deal in, the H Shares proposed to be issued by the Company and (if required) the approval of the China Securities Regulatory Commission for the issue of shares by the Company, the Board be and is hereby authorised to amend, as they may deem appropriate and necessary, the articles of association of the Company to reflect the change in the share capital structure of the Company in the event of an exercise of the powers granted under paragraph (a) to allot and issue new shares.”
9. To consider and, if thought fit, approve the following resolution as a special resolution:

“**THAT:**

- (a) subject to paragraphs (b) and (c) below and subject to all applicable laws, standards, system and/or requirements of the governmental or regulatory body of securities in the PRC, The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or of any other governmental or regulatory body, the Board be and is hereby authorised to exercise,

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whether by a single exercise or otherwise, all the powers of the Company to repurchase the H Shares on the Stock Exchange during the Relevant Period (as defined in paragraph (d) below);

- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the authority granted under paragraph (a) above during the Relevant Period (as defined in paragraph (d) below) shall not exceed 10 per cent. of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of this resolution;
- (c) the exercise of the authority granted under paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution on the same terms as the resolution set out in this paragraph 9 (except for this sub-paragraph (c)(i)) at each of the class meeting for holders of Domestic Shares and the class meeting for holders of H Shares, both to be held on the date of the annual general meeting as convened by this notice (or on such adjourned date as may be applicable);
 - (ii) the approvals of State-owned Assets Supervision and Administration Commission of the State Council and State Administration of Foreign Exchange of the PRC (or their respective successor authorities) and/or (if appropriate) any other regulatory authorities as required by the laws, standards and system of the PRC being obtained by the Company; and
 - (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company in its absolute discretion having repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in Article 28 of the articles of association (“**Articles**”) of the Company;
- (d) for the purpose of this special resolution, “**Relevant Period**” means the period from the passing of this special resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution; and
 - (ii) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution of the shareholders of the Company in any general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares at their respective class meetings; and

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- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be and is hereby authorised to:
 - (i) make such corresponding amendments to the Articles as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the exercise of the authority to repurchase any H Shares of the Company as conferred under paragraph (a) above; and
 - (ii) file the amended Articles with the relevant governmental authorities of the PRC."

MEETING FOR HOLDERS OF H SHARES

1. To consider and, if thought fit, approve the following resolution as a special resolution:

"THAT:

- (a) subject to paragraphs (b) and (c) below and subject to all applicable laws, standards, system and/or requirements of the governmental or regulatory body of securities in the People's Republic of China ("**PRC**"), The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") or of any other governmental or regulatory body, the Board be and is hereby authorised to exercise, whether by a single exercise or otherwise, all the powers of the Company to repurchase the H Shares on the Stock Exchange during the Relevant Period (as defined in paragraph (d) below);
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the authority granted under paragraph (a) above during the Relevant Period (as defined in paragraph (d) below) shall not exceed 10 per cent. of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of this resolution;
- (c) the exercise of the authority granted under paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution on the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at each of the annual general meeting and the class meeting for holders of Domestic Shares, both to be held on the date of the class meeting for holders of H Shares as convened by this notice (or on such adjourned date as may be applicable);

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- (ii) the approvals of State-owned Assets Supervision and Administration Commission of the State Council and State Administration of Foreign Exchange of the PRC (or their respective successor authorities) and/or (if appropriate) any other regulatory authorities as required by the laws, standards and system of the PRC being obtained by the Company; and
- (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company in its absolute discretion having repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in Article 28 of the articles of association (“**Articles**”) of the Company;
- (d) for the purpose of this special resolution, “**Relevant Period**” means the period from the passing of this special resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution; and
 - (ii) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution of the shareholders of the Company in any general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares at their respective class meetings; and
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be and is hereby authorised to:
 - (i) make such corresponding amendments to the Articles as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the exercise of the authority to repurchase any H Shares of the Company as conferred under paragraph (a) above; and
 - (ii) file the amended Articles with the relevant governmental authorities of the PRC.”

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MEETING FOR HOLDERS OF DOMESTIC SHARES

1. To consider and, if thought fit, approve the following resolution as a special resolution:

“THAT:

- (a) subject to paragraphs (b) and (c) below and subject to all applicable laws, standards, system and/or requirements of the governmental or regulatory body of securities in the People’s Republic of China (“**PRC**”), The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or of any other governmental or regulatory body, the Board be and is hereby authorised to exercise, whether by a single exercise or otherwise, all the powers of the Company to repurchase the H Shares on the Stock Exchange during the Relevant Period (as defined in paragraph (d) below);
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the authority granted under paragraph (a) above during the Relevant Period (as defined in paragraph (d) below) shall not exceed 10 per cent. of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of this resolution;
- (c) the exercise of the authority granted under paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution on the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at each of the annual general meeting and the class meeting for holders of H Shares, both to be held on the date of the class meeting for holders of Domestic Shares as convened by this notice (or on such adjourned date as may be applicable);
 - (ii) the approvals of State-owned Assets Supervision and Administration Commission of the State Council and State Administration of Foreign Exchange of the PRC (or their respective successor authorities) and/or (if appropriate) any other regulatory authorities as required by the laws, standards and system of the PRC being obtained by the Company; and
 - (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company in its absolute discretion having repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in Article 28 of the articles of association (“**Articles**”) of the Company;

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- (d) for the purpose of this special resolution, “**Relevant Period**” means the period from the passing of this special resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution; and
 - (ii) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution of the shareholders of the Company in any general meeting or by a special resolution of holders of H Shares or holders of Domestic Shares at their respective class meetings; and
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be and is hereby authorised to:
 - (i) make such corresponding amendments to the Articles as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the exercise of the authority to repurchase any H Shares of the Company as conferred under paragraph (a) above; and
 - (ii) file the amended Articles with the relevant governmental authorities of the PRC.”

By order of the Board
TravelSky Technology Limited
Xu Qiang
Chairman

Beijing, the People’s Republic of China
13 April 2012

Registered office:
7 Yu Min Da Street,
Houshayu Town, Shunyi District,
Beijing 101308,
the PRC

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Notes:

1. For the identification of shareholders who are qualified to attend the AGM and the class meeting for holders of H Shares, the register of holders of H Shares of the Company will be closed from Saturday, 5 May 2012 to Tuesday, 5 June 2012 (both days inclusive), during which time no transfer of H Shares will be effected. Holders of the H Shares and Domestic Shares whose names appear on the register of members of the Company on Tuesday, 5 June 2012 are entitled to attend the AGM and the class meetings. Transfers of H Shares must be lodged with the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 4 May 2012 in order to entitle the transferee to attend the AGM and the class meeting for holders of H Shares.
2. If the distribution of the proposed final cash dividend (which is RMB0.12 per share (pre-tax)) for the year ended 31 December 2011 is approved by the shareholders of the Company at the AGM, in order to ascertain the entitlements of the shareholders of the Company to receive the proposed final cash dividend, the register of holders of H Shares of the Company will be closed from Saturday, 9 June 2012 to Thursday, 14 June 2012 (both days inclusive), during which period no transfer of H Shares will be effected. Holders of H Shares and Domestic Shares whose names appear on the registers of members of the Company on Thursday, 14 June 2012 are entitled to the proposed final cash dividend. Transfers of H Shares must be lodged with the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 8 June 2012 in order to entitle the transferee to receive the proposed final cash dividend.
3. Each shareholder who is entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his or her behalf at the AGM. Each holder of H Shares who is entitled to attend and vote at the class meeting for holders of H Shares may appoint one or more proxies to attend and vote on his or her behalf at such class meeting. Each holder of Domestic Shares who is entitled to attend and vote at such class meeting for holders of Domestic Shares may appoint one or more proxies to attend and vote on his or her behalf at such class meeting. A proxy need not be a member of the Company.
4. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing, or in the case of a legal person, must either be executed under its seal or under the hand of a legal representative or other attorney duly authorised to sign the same. If that instrument is signed by an attorney of the appointer, the power of attorney authorising that attorney to sign, or other document of authorisation, must be notarially certified. To be valid, for holders of Domestic Shares, the notarially certified power of attorney, or other document of authorisation, and the form of proxy must be delivered to the registered address of the Company no later than 24 hours before the time appointed for the holding of the meeting. To be valid, for holders of H shares, the above documents must be delivered to Hong Kong Registrars Limited within the same period of time.
5. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the relevant meeting or any adjournment thereof. If such member attends the meeting(s), his form of proxy will be deemed to have been revoked.
6. Shareholders who intend to attend the AGM and the class meetings in person or by proxy should return the reply slip for attending the AGM and the class meetings to the registered address of the Company on or before Tuesday, 15 May 2012 in person, by mail or by fax.
7. The AGM and the class meetings are expected to last for half a day. Shareholders (or their proxies) attending the AGM and the class meetings are responsible for their own transportation and accommodation expenses.
8. As at the date hereof, the board of the directors of the Company comprises:

Executive Directors:	Mr Xu Qiang (<i>Chairman</i>), Mr Cui Zhixiong and Mr Xiao Yinhong;
Non-executive Directors:	Mr Wang Quanhua, Mr Luo Chaogeng and Mr Sun Yude;
Independent non-executive Directors:	Mr Cheung Yuk Ming, Mr Zhou Deqiang and Mr Pan Chongyi.