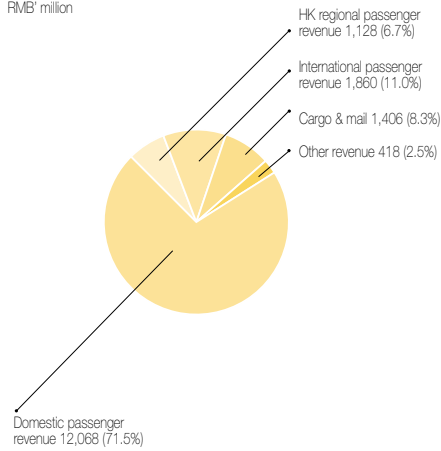


4 Financial Highlights

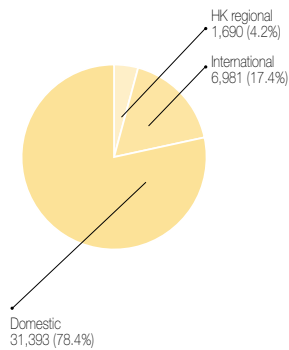
Total Revenue

2001
RMB' million



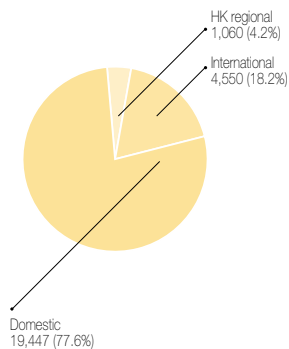
Passenger Traffic Capacity (Available Seat Kilometres ("ASKs"))

2001
ASK million



Passenger Traffic (Revenue Passenger Kilometres ("RPKs"))

2001
RPK million



The Board of Directors of the Company is pleased to present below the consolidated results of the Group for the year ended 31 December, 2001, prepared in accordance with International Accounting Standards ("IAS"), together with the comparative figures for the corresponding period in 2000. The following consolidated results should be read in conjunction with the consolidated financial statements and the Report of the International Auditors contained in this annual report (the "Annual Report").

Consolidated Profit and Loss Account

	For the year ended 31 December,				2001 vs 2000 Increase/ (decrease) %
	2001 RMB'000	2000 RMB'000	2001 HK\$'000	2001 US\$'000	
Traffic revenue:					
Passenger	15,055,496	13,254,714	14,195,263	1,819,044	13.6
Cargo and mail	1,406,036	1,451,445	1,325,699	169,881	(3.1)
	16,461,532	14,706,159	15,520,962	1,988,925	11.9
Other revenue	418,126	472,159	394,235	50,519	(11.4)
Total operating revenue	16,879,658	15,178,318	15,915,197	2,039,444	11.2
Operating expenses:					
Flight operations	6,905,628	6,109,021	6,511,058	834,356	13.0
Maintenance	2,014,579	1,758,581	1,899,471	243,407	14.6
Aircraft and traffic servicing	2,297,521	2,069,114	2,166,246	277,592	11.0
Promotion and sales	1,540,780	1,377,682	1,452,744	186,161	11.8
General and administrative	892,233	809,225	841,253	107,802	10.3
Depreciation and amortisation	1,814,974	1,863,789	1,711,271	219,290	(2.6)
Other	13,270	8,805	12,512	1,603	50.7
Total operating expenses	15,478,985	13,936,217	14,594,555	1,870,211	10.6
Operating profit	1,400,673	1,182,101	1,320,642	169,233	18.5

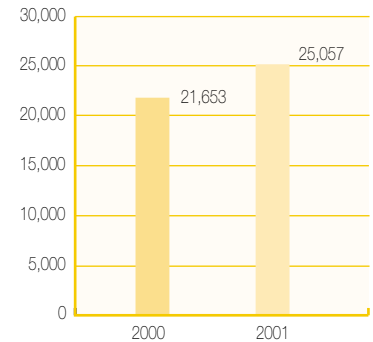
Consolidated Profit and Loss Account (cont'd)

	For the year ended 31 December,				2001 vs 2000 Increase/ (decrease) %
	2001 RMB'000	2000 RMB'000	2001 HK\$'000	2001 US\$'000	
Non-operating income/(expenses):					
Share of associated companies' results	53,077	45,949	50,044	6,413	15.5
Share of jointly controlled entity's results	(4,034)	—	(3,804)	(487)	—
(Loss)/gain on sale of fixed assets	(55,889)	372,596	(52,696)	(6,753)	(115.0)
Interest income	49,878	90,283	47,028	6,026	(44.8)
Interest expense	(933,717)	(1,074,236)	(880,367)	(112,814)	(13.1)
Exchange gain, net	296,777	318,502	279,820	35,857	(6.8)
Other, net	(11,509)	(3,965)	(10,850)	(1,390)	190.3
Total net non-operating expenses	(605,417)	(250,871)	(570,825)	(73,148)	141.3
Profit before taxation and minority interests	795,256	931,230	749,817	96,085	(14.6)
Taxation	(320,519)	(338,907)	(302,205)	(38,726)	(5.4)
Profit before minority interests	474,737	592,323	447,612	57,359	(19.9)
Minority interests	(134,512)	(90,552)	(126,827)	(16,252)	48.5
Profit attributable to shareholders	340,225	501,771	320,785	41,107	(32.2)
Basic earnings per share	RMB0.10	RMB0.15	HK\$0.10	US\$0.012	(32.2)

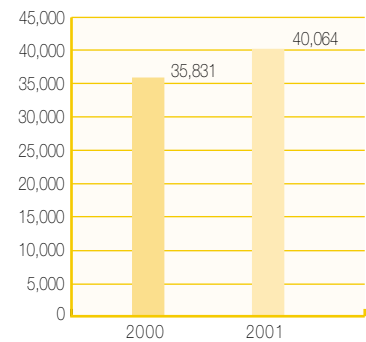
Note: The above consolidated profit and loss account has been prepared in Renminbi ("RMB"), the national currency of the PRC. Translations of amounts from RMB into Hong Kong dollars ("HK\$") and United States dollars ("US\$") solely for the convenience of readers have been made at the rates of HK\$1.00 to RMB1.0606 and US\$1.00 to RMB8.2766, being the average of the buying and selling rates as quoted by the People's Bank of China at the close of business on 31 December, 2001. No representation is made that the RMB amounts could have been or could be converted into HK\$ or US\$ at these rates or at any other certain rates on 31 December, 2001 or on any other date.

Passenger Traffic (RPK)

million


Passenger Capacity (ASK)

million


Cost (Operating Cost Per ASK)

RMB

