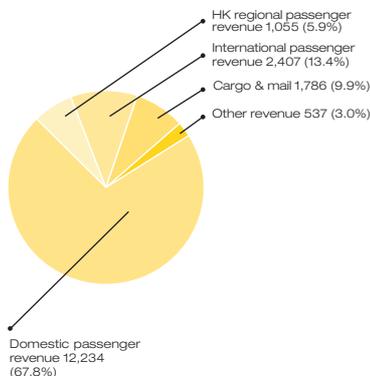


## 4 Financial Highlights

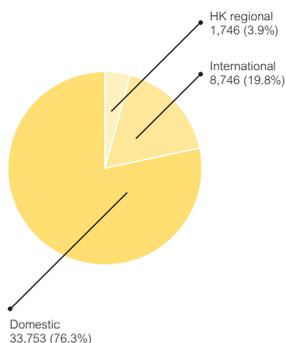
### Total Revenue

2002  
RMB' million



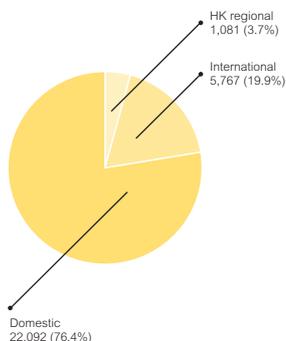
### Passenger Traffic Capacity (Available Seat Kilometres ("ASK"))

2002  
ASK million



### Passenger Traffic (Revenue Passenger Kilometres ("RPK"))

2002  
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, 2002, prepared in accordance with International Financial Reporting Standards ("IFRS"), together with the comparative figures for the corresponding period in 2001. The following consolidated results should be read in conjunction with the financial statements and the Report of the International Auditors contained in this annual report (the "Annual Report").

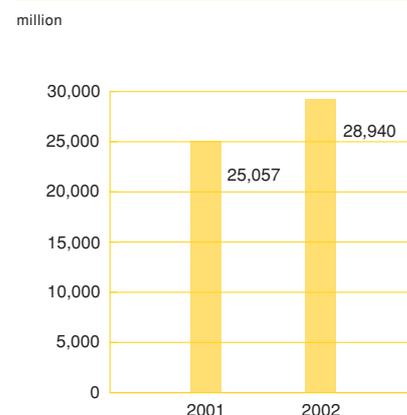
### Consolidated Profit and Loss Account

	For the year ended 31 December,		2002 vs 2001		Increase/ (decrease) %
	2002 RMB'000	2001 RMB'000	2002 HK'000	2002 US'000	
Traffic revenue:					
Passenger	15,695,622	15,055,496	14,791,841	1,896,225	4.3
Cargo and mail	1,786,270	1,406,036	1,683,413	215,803	27.0
	17,481,892	16,461,532	16,475,254	2,112,028	6.2
Other operating revenue	536,728	418,126	505,822	64,843	28.4
Total operating revenue	18,018,620	16,879,658	16,981,076	2,176,871	6.7
Operating expenses:					
Flight operations	6,732,543	6,905,628	6,344,871	813,374	(2.5)
Maintenance	2,333,419	2,014,579	2,199,057	281,906	15.8
Aircraft and traffic servicing	2,511,284	2,297,521	2,366,680	303,394	9.3
Promotion and sales	1,499,587	1,540,780	1,413,238	181,169	(2.7)
General and administrative	1,060,010	892,233	998,973	128,062	18.8
Depreciation and amortisation	1,839,871	1,814,974	1,733,928	222,279	1.4
Other	15,829	13,270	14,918	1,912	19.3
Total operating expenses	15,992,543	15,478,985	15,071,665	1,932,096	3.3
Operating profit	2,026,077	1,400,673	1,909,411	244,775	44.7

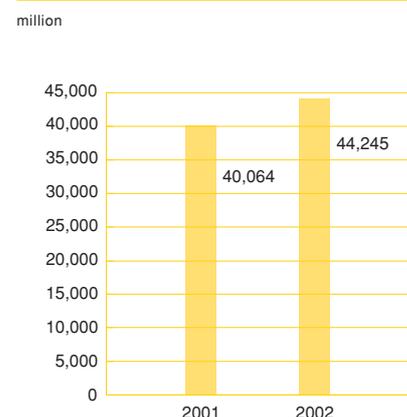
	For the year ended 31 December,				2002 vs 2001
	2002 RMB'000	2001 RMB'000	2002 HK'000	2002 US'000	Increase/ (decrease) %
Non-operating income/(expenses):					
Share of associated companies' results	36,988	53,077	34,858	4,469	(30.3)
Share of jointly controlled entities' results	(3,352)	(4,034)	(3,159)	(405)	(16.9)
Gain/(loss) on sale of fixed assets	170,740	(55,889)	160,908	20,627	405.5
Interest income	52,618	49,878	49,588	6,357	5.5
Interest expense	(959,193)	(933,717)	(903,961)	(115,882)	2.7
Exchange (loss)/gain, net	(175,451)	296,777	(165,348)	(21,197)	(159.1)
Other, net	(9,328)	(11,509)	(8,789)	(1,127)	(19.0)
<b>Total net non-operating expenses</b>	<b>(886,978)</b>	<b>(605,417)</b>	<b>(835,903)</b>	<b>(107,158)</b>	<b>46.5</b>
Profit before taxation and minority interests	1,139,099	795,256	1,073,508	137,617	43.2
Taxation	(398,227)	(320,519)	(375,296)	(48,111)	24.2
Profit before minority interests	740,872	474,737	698,212	89,506	56.1
Minority interests	(165,111)	(134,512)	(155,604)	(19,947)	22.7
Profit attributable to shareholders	575,761	340,225	542,608	69,559	69.2
Basic earnings per share	RMB0.17	RMB0.10	HK\$0.16	US\$0.021	69.2

*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 RMB1.0611 and US\$1.00 to RMB8.2773, 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, 2002. 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, 2002 or on any other date.

Passenger Traffic (RPK)



Passenger Capacity (ASK)



Cost (Operating Cost Per ASK)

