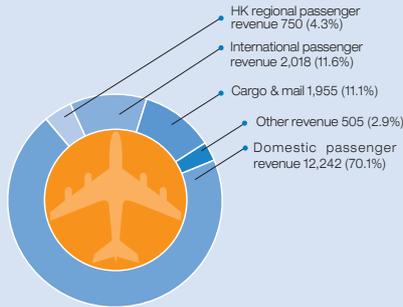




FINANCIAL HIGHLIGHTS

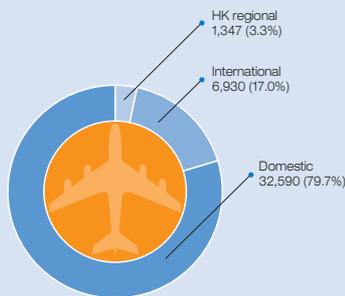
Total Revenue

2003
RMB' million



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

2003
ASK million



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

2003
RPK million



The Board of Directors of the Company hereby presents below the consolidated results of the Group for the year ended 31 December, 2003, prepared in accordance with International Financial Reporting Standards ("IFRS"), together with the comparative figures for the corresponding period in 2002. 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").

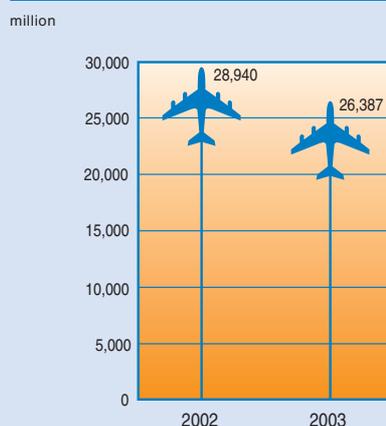
CONSOLIDATED PROFIT AND LOSS ACCOUNT

	For the year ended 31 December,		2003 vs 2002		Increase/ (decrease) %
	2003 RMB'000	2002 RMB'000	2003 HK\$'000	2003 US'000	
Operating revenue:					
Passenger	15,009,885	15,695,622	14,084,531	1,813,511	(4.4)
Cargo and mail	1,954,915	1,786,270	1,834,395	236,195	9.4
	16,964,800	17,481,892	15,918,926	2,049,706	(3.0)
Other operating revenue	505,323	536,728	474,170	61,053	(5.9)
Total operating revenue	17,470,123	18,018,620	16,393,096	2,110,759	(3.0)
Operating expenses:					
Flight operations	7,070,031	6,732,543	6,634,166	854,209	5.0
Maintenance	2,588,613	2,333,419	2,429,026	312,759	10.9
Aircraft and traffic servicing	2,767,488	2,511,284	2,596,874	334,371	10.2
Promotion and sales	1,480,168	1,499,587	1,388,916	178,836	(1.3)
General and administrative	1,053,319	1,060,010	988,383	127,263	(0.6)
Depreciation and amortisation	2,037,971	1,839,871	1,912,331	246,230	10.8
Other	16,804	15,829	15,767	2,029	6.2
Total operating expenses	17,014,394	15,992,543	15,965,463	2,055,697	6.4
Operating profit	455,729	2,026,077	427,633	55,062	(77.5)

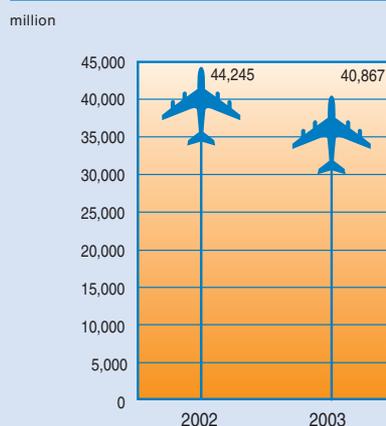


FINANCIAL HIGHLIGHTS (Cont'd)

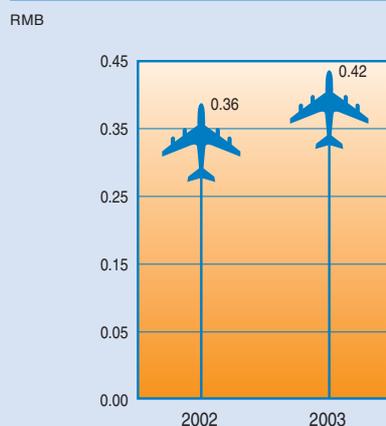
Passenger Traffic (RPK)



Passenger Capacity (ASK)



Cost (Operating Cost Per ASK)



For the year ended 31 December, 2003 vs 2002

	2003 RMB'000	2002 RMB'000	2003 HK\$'000	2003 US'000	Increase/ (decrease) %
Non-operating income/(expenses):					
Share of associated companies' results	47,798	36,988	44,851	5,775	29.2
Share of jointly controlled entities' results	(39,495)	(3,352)	(37,060)	(4,772)	1,078.3
(Loss)/gain on sale of fixed assets	(22,217)	170,740	(20,848)	(2,684)	(113.0)
Interest income	13,061	52,618	12,256	1,578	(75.2)
Interest expense	(823,725)	(959,193)	(772,943)	(99,523)	(14.1)
Exchange loss, net	(164,443)	(175,451)	(154,304)	(19,868)	(6.3)
Other, net	21,682	(9,328)	20,345	2,619	(332.4)
Total net non-operating expenses	(967,339)	(886,978)	(907,703)	(116,875)	9.1
(Loss)/profit before taxation and minority interests	(511,610)	1,139,099	(480,070)	(61,813)	(144.9)
Taxation credit/(expense)	324,277	(398,227)	304,286	39,179	(181.4)
(Loss)/profit before minority interests	(187,333)	740,872	(175,784)	(22,634)	(125.3)
Minority interests	(170,934)	(165,111)	(160,396)	(20,652)	3.5
(Loss)/profit attributable to shareholders	(358,267)	575,761	(336,180)	(43,286)	(162.2)
Basic (loss)/earnings per share	RMB(0.09)	RMB0.17	HK\$(0.09)	US\$(0.011)	(162.2)

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 RMB1.0657 and US\$1.00 to RMB8.2767, 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, 2003. 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, 2003 or on any other date.