

## COMPANY PROFILE

China Southern Airlines Company Limited (the "Company") together with its subsidiaries (collectively, the "Group") is one of the largest airlines in the People's Republic of China ("China" or "the PRC"). In 2004, the Group continued to rank first among all Chinese airlines in terms of volume of passenger traffic, number of scheduled flights per week, number of hours flown, number of routes and size of aircraft fleet.

As of the year end of 2004, the Group operated 542 routes, of which 434 were domestic, 85 were international and 23 were Hong Kong regional. The Group operates the most extensive domestic route network among all Chinese airlines. In 2004, the Group operated an average of 5,280 landings and take-offs per week, serving 143 destinations. Its route network covers commercial centres or rapidly developing economic regions in Mainland China. The Group's headquarters is located in Guangzhou, one of the gateway cities of China. Located in the rapidly developing Pearl River Delta region, Guangzhou is the transportation hub of southern China.

In addition to its main route base in Guangzhou, the Group maintains 18 regional route bases in Zhengzhou, Wuhan, Changsha, Shenzhen, Shenyang, Changchun, Dalian, Harbin, Urumqi, Haikou, Zhuhai, Xiamen, Fuzhou, Guilin, Shantou, Guiyang, Sanya and Beihai. Most of its regional route bases are located in provincial capitals or major commercial centres in the PRC.

The Group operates a portion of its air transportation business through its subsidiaries, namely Xiamen Airlines Company Limited ("Xiamen Airlines"), Southern Airlines Group Shantou Airlines Company Limited, Guangxi Airlines Company Limited, Zhuhai Airlines Company Limited and Guizhou Airlines Company Limited (collectively, the "Airline Subsidiaries"). Each of the Airline Subsidiaries is 60%-owned by the Company. Apart from the above, the Company has also acquired equity interests in Sichuan Airlines Corporation Limited and China Postal Airlines Limited.

As of 31 December, 2004, the Group operated a fleet of 231 aircraft, consisting primarily of Boeing 737-300, 737-500, 737-700, 737-800, 747-400, 757-200, 777-200, Airbus 320-200 and 319-100, McDonnell Douglas 82 and 90, Cessna 208B, ATR-72 and Embraer 145 aircraft. The average age of the Group's fleet was 7.47 years as of the year end of 2004.