

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 2006, 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 2006, the Group operated 616 routes, of which 501 were domestic, 90 were international and 25 were Hong Kong and Macau. The Group operates the most extensive domestic route network among all Chinese airlines. In 2006, the Group operated an average of 9,308 landings and take-offs per week, serving 152 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 headquarters in Guangzhou, the Group maintains certain regional route bases in Beijing, Zhengzhou, Wuhan, Changsha, Shenzhen, Shenyang, Changchun, Dalian, Harbin, Urumqi, Haikou, Zhuhai, Xiamen, Fuzhou, Nanning, 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 ("Guangxi Airlines"), Zhuhai Airlines Company Limited and Guizhou Airlines Company Limited (collectively, the "Airline Subsidiaries"). Apart from the above, the Company has equity interests in Sichuan Airlines Corporation Limited and China Postal Airlines Limited.

As of 31 December 2006, the Group operated a fleet of 309 aircraft, consisting primarily of Boeing 737 series, 747, 757, 777, Airbus 320 series, 300, 330, McDonnell Douglas 82, 90 and etc. The average age of the Group's fleet was 6.37 years as of the year end of 2006.