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CHINA SOUTHERN AIRLINES CO LTD  
Form 6-K  
May 03, 2004

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the month of April, 2004

CHINA SOUTHERN AIRLINES COMPANY LIMITED  
(Translation of registrant's name into English)

Baiyun International Airport  
Guangzhou, People's Republic of China  
(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.)

Form 20-F.   X                      Form 40-F.   -----  
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(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes.                                  No.    X  
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(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-                      .)  
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China Southern Airlines Company Limited (the "Company") on April 29, 2004 published in local newspapers in Hong Kong an announcement in Chinese and English, respectively, concerning the Company's first quarterly report of 2004. A copy of the English announcement is included in this Form 6-K of the Company.

The Stock Exchange of Hong Kong Limited takes no responsibility for the content of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the content of this announcement.

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[COMPANY NAME IN CHINESE CHARACTER]  
CHINA SOUTHERN AIRLINES COMPANY LIMITED  
(a joint stock limited company incorporated in the People's Republic of China  
with limited liability)

(STOCK CODE: 1055)

FIRST QUARTERLY REPORT OF 2004

## SUMMARY

The unaudited financial statements of the Company for the first quarter of 2004 were prepared in accordance with the PRC GAAP.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

### 1. IMPORTANT NOTICE

This announcement is made by China Southern Airlines Company Limited (the "Company") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Directors of the Company collectively and individually warrant that the information set out in this report does not contain any misrepresentation, misleading statement or material omission; and jointly and severally accepts full responsibility as to the truthfulness, accuracy and completeness of the content herein.

The first quarterly report of the Company for the year 2004 (the "First Quarterly Report") was prepared in accordance with the relevant rules and regulations of the China Securities Regulatory Commission.

The unaudited financial statements of the Company for the first quarter of 2004 were prepared in accordance with the accounting rules and regulations of the People's Republic of China ("PRC GAAP").

Mr. Yan Zhi Qing (Chairman), Mr. Wang Chang Shun (President), Mr. Xu Jie Bo (Chief Financial Officer and Vice President) and Mr. Xiao Li Xin (General Manager of the Financial Department) of the Company, warrant that the First Quarterly Report is true and complete.

### 2 BASIC PARTICULARS OF THE COMPANY

#### 2.1 BASIC INFORMATION OF THE COMPANY

|                            |  |
|----------------------------|--|
| Stock abbreviation         | China Southern   |
| Stock code                 | 600029 (A share), 1055 (H share), ZNH (ADs)              |
| Company Secretary:         | Su Liang   |
| Securities Representative: | Lei Bin  |
| Correspondence Address:    | Baiyun International Airport, Guangzhou, the People's Re |
| Telephone:                 | 020-86124737   |

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Facsimile: 020-86659040  
 e-mail address: ir.cz@cs-air.com

### 2.2 FINANCIAL INFORMATION

#### 2.2.1 Major Accounting Data and Financial Indices

|   | AS AT<br>31 MARCH 2004 | AS AT<br>31 MARCH 2003 | CHANGE<br>(%) |
|---|------------------------|------------------------|---------------|
| Total assets (RMB'000)  | 40,449,545             | 39,372,204             | 2.74          |
| Shareholders' equity<br>(excluding minority interests)<br>(RMB'000) | 11,745,766             | 11,549,850             | 1.70          |
| Net assets per share (RMB)  | 2.69                   | 2.64                   | 1.89          |
| Adjusted net assets per<br>share (RMB)                              | 2.61                   | 2.59                   | 0.77          |

|   | FOR THE<br>PERIOD FROM<br>1 JANUARY 2004<br>TO 31 MARCH 2004 | FOR THE<br>PERIOD ENDED<br>31 MARCH 2004 | CHANGE<br>(%) |
|---|--|--|---------------|
| Net cash outflow from<br>operating activities<br>(RMB'000)      | 11,097   | N/A                                      | N/A           |
| Earnings per share (RMB)  | 0.045  | N/A                                      | N/A           |
| Return on net assets  | 1.7%   | N/A                                      | N/A           |
| Return on net assets<br>after extraordinary<br>gains and losses | 1.8%   | N/A                                      | N/A           |

| EXTRAORDINARY (GAINS)/LOSSES            | AMOUNT<br>(RMB'000) |
|---|---------------------|
| Non-operating expenses                  |                     |
| Net loss on disposal<br>of fixed assets | 397                 |
| Others, net                             | 10,291              |
| Total                                   | -----<br>10,688     |

## 2.2.2 Profit and Loss Account

|   | CONSOLIDATED<br>JANUARY -<br>MARCH, 2004<br>RMB'000 | THE COMPANY<br>JANUARY -<br>MARCH, 2004<br>RMB'000 |
|---|---|--|
| REVENUE FROM PRINCIPAL OPERATIONS             | 5,245,109   | 3,618,154  |
| Less: Operating costs of principal operations | 4,041,279   | 2,905,338  |
| Business taxes and surcharges                 | 153,297   | 102,676  |
|   | -----   | -----  |
| PROFIT FROM PRINCIPAL OPERATIONS              | 1,050,533   | 610,140  |
| Add: Profit from other operations             | 80,773  | 74,927   |
| Less: Selling expenses                        | 401,859   | 275,227  |
| General and administration expenses           | 224,812   | 131,959  |
| Financial expenses                            | 184,660   | 141,236  |
|   | -----   | -----  |
| OPERATING PROFIT                              | 319,975   | 136,645  |
| Add: Investment income                        | 7,685   | 91,282   |
| Non-operating income                          | 1,801   | 334  |
| Less: Non-operating expenses                  | 12,489  | 6,878  |
|   | -----   | -----  |
| PROFIT BEFORE INCOME TAX                      | 316,972   | 221,383  |
| Less: Income tax                              | 58,421  | 25,467   |
| Less: Minority interests                      | 62,635  | -  |
|   | -----   | -----  |
| Net Profit                                    | 195,916   | 195,916  |
|   | =====   | =====  |

2.3 As at the end of the reporting period, the Company had a total number of 155,710 shareholders.

## 3 MANAGEMENT DISCUSSION AND ANALYSIS

## 3.1 BRIEF ANALYSIS OF THE COMPANY'S OVERALL OPERATIONAL ACTIVITIES DURING THE REPORTING PERIOD

Applicable       Not Applicable

During the reporting period, the domestic aviation market continued to recover with strong demand for air transportation, which was mainly stimulated by the continuous stable economic development and the increase in domestic consumption level. For the first quarter of 2004, our aviation transportation business maintained a good trend of growth. All production indices were higher as compared to the same period of last year. Among which, the Company's total traffic volume was 1,041,600,000 tonne-kilometers, representing a growth of 5.6% over the same period of last year; passengers carried were 6,413,000, representing an increase of 17.1% from the same period last year;

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Cargo and mail traffic amounted to 124,000 tonne, representing an increase of 0.8% from the same period last year; passenger load factor was 65.3%, representing a growth of 4.1% over the corresponding period last year. Meanwhile, the revenues and profits from our principal operations were RMB5,245,109,000 and RMB1,050,533,000 respectively, which resulting in a net profit of RMB195,916,000. This is the first quarterly report for the period from 1 January to 31 March announced by the Company. Therefore, no comparative figures for the corresponding period of last year are available.

### 3.1.1 PRINCIPAL OPERATIONS OR PRODUCTS REPRESENTING MORE THAN 10% OF THE INCOME OR PROFIT FROM THE COMPANY'S PRINCIPAL OPERATIONS

Applicable             Not Applicable

| PRINCIPLE OPERATION<br>(BY BUSINESS OR PRODUCT) | INCOME    | COSTS     | GROSS PROFIT<br>MARGIN<br>(%) |
|---|-----------|-----------|-------------------------------|
| Income from transportation (RMB'000)            | 5,245,109 | 4,041,279 | 22.95                         |
| Including: connected transactions (RMB'000)     | -         | 209,145   | -                             |

### 3.1.2 ANALYSIS OF SIGNIFICANT EVENTS AND THEIR IMPACT AND SOLUTIONS

Applicable             Not Applicable

In accordance with the reply by the State Tax Bureau in Guangzhou Economic and Technology Development Zone in relation to the applicable rate on enterprise income tax on the part of China Southern Airlines Company Limited, the Company is liable to pay enterprise income tax at the rate applicable to manufacturing foreign investment enterprises in Guangzhou Economic and Technology Development Zone, with effect from 1 October 2003.

As at the date of this Announcement, the Directors of the Company are Yan Zhi Qing, Liu Ming Qi, Wang Chang Shun, Peng An Fa, Wang Quan Hua, Zhao Liu An, Zhou Yong Qian, Zhou Yong Jin, Xu Jie Bo and Wu Rong Nan as executive Directors and Simon To, Peter Lok, Wei Ming Hai, Wang Zhi and Sui Guang Jun as independent non-executive Directors.

By order of the Board  
CHINA SOUTHERN AIRLINE COMPANY LIMITED  
YAN ZHI QING  
Chairman

Guangzhou, the People's Republic of China  
28 April 2004

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the

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registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHINA SOUTHERN AIRLINES COMPANY LIMITED

By /s/ Su Liang

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Name: Su Liang

Title: Company Secretary

Date: April 30, 2004